

**THE RELATIONSHIP BETWEEN REWARDS, RECOGNITION
AND MOTIVATION AT AN INSURANCE COMPANY
IN THE WESTERN CAPE**

by

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Submitted in partial fulfilment of the requirements for the degree of

MAGISTER COMMERCII



DEPARTMENT OF INDUSTRIAL PSYCHOLOGY

at the

UNIVERSITY OF THE WESTERN CAPE

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NOVEMBER 2005

ABSTRACT

Increasingly, organisations are realising that they have to establish an equitable balance between the employee's contribution to the organisation and the organisation's contribution to the employee. Establishing this balance is one of the main reasons to reward and recognise employees. Organisations that follow a strategic approach to creating this balance focus on the three main components of a reward system, which includes, compensation, benefits and recognition (Deeprise, 1994). Studies that have been conducted on the topic indicates that the most common problem in organisations today is that they miss the important component of recognition, which is the low-cost, high-return ingredient to a well-balanced reward system. A key focus of recognition is to make employees feel appreciated and valued (Sarvadi, 2005). Research has proven that employees who get recognised tend to have higher self-esteem, more confidence, more willingness to take on new challenges and more eagerness to be innovative (Mason, 2001). The aim of this study is to investigate whether rewards and recognition has an impact on employee motivation. A biographical and Work Motivation Questionnaire was administered to respondents (De Beer, 1987). The sample group (N= 184) consists of male and female employees on post-grade levels 5 to 12. The results of the research indicated that there is a positive relationship between rewards, recognition and motivation. The results also revealed that women, and employees from non-white racial backgrounds experienced lower levels of rewards, recognition and motivation. Future research on the latter issues could yield interesting insights into the different factors that motivate employees.

Notwithstanding the insights derived from the current research, results need to be interpreted with caution since a convenience sample was used, thereby restricting the generalisability to the wider population.



DECLARATION

The researcher hereby declares that the thesis, “The relationship between rewards, recognition and motivation at an Insurance Company in the Western Cape”, is her own work and that all sources that have been referred to and quoted have been indicated and acknowledged with complete references.



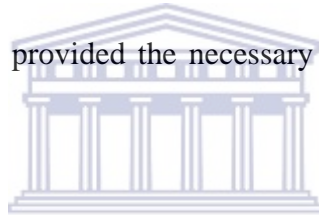
ROSHAN LEVINA ROBERTS

ACKNOWLEDGEMENTS

I wish to extend my sincere appreciation and gratitude to the people who supported me and provided the necessary encouragement to see the research to the end.

To my manager and colleagues in the Training and Development Department and the human resources managers who supported and provided their time to assist with the research study.

To the staff and colleagues in the Operations business unit, who so willingly participated in the study, and provided the necessary data, without which the study would not have been possible.



To my partner, my parents, family and friends who encouraged and believed in me.

To my supervisor, Karl Heslop for guidance and his willingness to share his experience and knowledge.

Lastly to my creator, for bestowing the necessary courage, good health and mental ability to complete the study.

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CHAPTER 1

INTRODUCTION AND OVERVIEW

1.1 INTRODUCTION

In order for an organisation to meet its obligations to shareholders, employees and society, its top management must develop a relationship between the organisation and employees that will fulfil the continually changing needs of both parties. At a minimum the organisation expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. Management often expects more: that employees take initiative, supervise themselves, continue to learn new skills, and be responsive to business needs. At a minimum, employees expect their organisation to provide fair pay, safe working conditions, and fair treatment. Like management, employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility. Just how ambitious the expectations of each party are, vary from organisation to organisation. For organisations to address these expectations an understanding of employee motivation is required (Beer, Spector, Lawrence, Mills, & Walton, 1984).

Baron (1983, p. 123) defines motivation as “a set of processes concerned with the force that energises behaviour and directs it towards attaining some goal.”

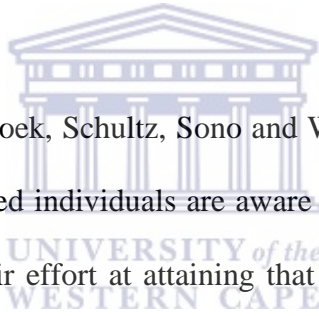
Kreitner and Kinicki (1992, p.162) postulate that motivation represents “those psychological processes that cause the arousal, direction and persistence of voluntary actions that are goal directed.” If it is the role of managers to successfully guide employees toward accomplishing organisational objectives, it is imperative that they understand these psychological processes.

Schermerhorn, Hunt and Osborn (1991) conceptualises motivation as based on content and process approaches. The content theories of motivation emphasise the reasons for motivated behaviour and/or what causes it. These theories specify the correlates of motivated behaviour that is states, feelings or attitudes associated with motivated behaviour, and help to represent physiological or psychological deficiencies that an individual feels some compulsion to eliminate. Content theories on the contrary provide insight into people’s needs, thereby assist in understanding what it is that energises and sustains employee behaviour, and what they will and will not value as work rewards.



Human resources are now seen as the primary source of a company’s competitive advantage. Therefore, the way people are treated increasingly determines whether an organisation will prosper or even survive (Lawler, 2003). To ensure that people are treated fairly, organisations are acknowledging that they need to establish an equitable balance between employee contribution to the organisation and the organisation’s contribution to the employee. Establishing this balance and meeting this need is one of the first reasons, according to Deeproose (1994), to reward and recognise employees.

Traditionally most reward and recognition programmes were vague and often given in response to a manager's perception of when an employee performed exceptionally well. There were usually no set standards by which exceptional performance could be measured, and it could have meant anything from having a good attitude, assisting another department, or being consistently punctual. In current organisational settings this is no longer the case, as organisations understand the great gains derived by linking rewards and recognition to their business strategy. Hence, the process of managing performance ensures that specific goals and outcomes are established, that employees understand their roles in the greater scheme of things; that they understand what they must do for the reward, and why the reward is being offered in the first place (Flynn, 1998).



Nel, Gerber, van Dyk, Haasbroek, Schultz, Sono and Werner (2001) concur with this theory and argue that motivated individuals are aware of a specific goal that must be attained and would direct their effort at attaining that goal. Traditionally, individual performance in organisations has centred on the evaluation of performance and the allocation of rewards. Organisations are starting to acknowledge that planning and enabling individual performance have a critical effect on organisational performance. Strategic success for the organisation lies in focussing attention at all levels on key business imperatives, which can be achieved through effective performance management (Nel et al., 2001). According to Wilson (1994), the performance management process is one of the primary elements of the total reward system. It is the process that impacts performance between paychecks and provides the basis on which individual results are measured. It is the bonding agent in programmes that direct rewards to true performance.

The primary focus of reward and recognition programmes is how organisations define their reward schemes and communicate this in a manner that employees clearly understand the link between reward and performance (Flynn, 1998).

Deeprise (1994, p. 3) posits the view that “Good managers recognise people by doing things that acknowledge their accomplishments and they reward people by giving them something tangible. They create environments where jobs provide intrinsic rewards – good feelings people get from doing the work itself. Yet in too many organisations, recognition is reserved for an elite few and rewards are defined solely in terms of wages and salaries.”

Formal reward programmes, which denote financial rewards such as salary, fringe benefits, bonuses, promotions or share options play a significant role, but employees accept these as intrinsic factors to the job. In addition to this, people expect that their organisation should offer good benefits, inter alia, access to medical aid and pension funds. Effective reward management can help an organisation to achieve its business objectives by attracting and retaining competent people. However, the factors that prove to employees that their contributions are recognised, lies in a more informal approach to recognition, a key focus which is to make employees feel appreciated and valued (Deeprise, 1994).

Effective recognition enhances employee motivation and increases employee productivity all of which contribute to improved organisational performance (Deeprise, 1994). Baron (1983) argues that there is a close relationship between motivation and job performance.

He notes that if successful performance does in fact lead to organisational rewards, such performance could be a motivational factor for employees. Under such conditions, they can see that their efforts result in rewards. Consequently, they may be motivated to exert higher levels of effort on the job. In summary, there is a reciprocal relationship between the two constructs, not only can motivation influence performance, but also that performance – if followed by rewards – can influence motivation (Baron, 1983).

There appears to be a close relationship between employees' overall satisfaction with their jobs and their organisation and their intention to stay or leave. Previous research has shown that for employees whose performance is rewarded when they go “above and beyond”, 90% are satisfied with their job, 88% are satisfied with the organisation and just 12% consider leaving the organisation. Amongst employees who say that their performance is not rewarded, 52% are satisfied with their jobs and 47% are satisfied with their organisation, and 36% seriously consider leaving (Compensation & Benefits Report, 2003). Organisations could benefit from implementing a total rewards programme that focuses on both formal rewards and informal recognition.

1.2 PROBLEM STATEMENT

The study was conducted at a large life insurance organisation in the Western Cape, but was contained to the Operations business unit, which is the office support to the largely sales driven teams that sell life insurance products or solutions.

The Operations unit is the largest business unit, but also one of the units that do not have incentivised reward programmes. The outputs of this unit are significantly

important to the organisation as its key functions are processing of new policies and claims, which often have to be performed under high levels of pressure and against deadlines. The organisation has as one of its strategic drivers, a high performance culture as a business priority and strategic intent. Creating a high performance culture requires a number of elements to be present, one of which is high levels of job performance that is underpinned by a highly motivated workforce. The organisation is thus under constant pressure to revise its benefit offering to staff, which includes a reward and recognition programme that staff buy-in too, is satisfied with and which is linked with the organisation's strategy.

1.3 AIMS OF THE RESEARCH


An organisation can use recognition as a strategic measure to show employees that their contribution to the organisation is recognised, and in so doing, influence their motivation and job performance. Based on the findings of the research, the organisation could improve and encourage the use of effective recognition in the feedback process of the performance management system. The findings of this research study could also influence the company to consider a more structured approach to recognition that would enable the high performance culture it strives to attain. The aim of this research is to investigate the role that reward and recognition plays in motivating employees. The study will explore which of these factors, reward or recognition, has a greater impact on employee motivation and satisfaction.

1.4 OBJECTIVES OF THE STUDY

The objectives of the study are:

- 1) To determine if there is a relationship between rewards and recognition and employee motivation and satisfaction.
- 2) To determine the impact of rewards on motivation and satisfaction.
- 3) To determine the impact of recognition on motivation.
- 4) To determine which factors contribute to work motivation and satisfaction.
- 5) To determine the impact of biographical variables on work motivation and satisfaction.

1.5 HYPOTHESES

- 
- (i) There is no statistically significant relationship between work content, payment, promotion, recognition, working conditions, benefits, personal, leadership/supervision, general and work motivation and satisfaction in the Operation business unit of an insurance organisation.
- (ii) The nine independent variables (work content, payment, promotion, recognition, working conditions, benefits, personal, leadership/supervision and general) will not significantly explain the variance in work motivation and satisfaction.

- (iii) There are no statistically significant differences in rewards and recognition based on the biographical variables (gender, home language, marital status, age, race, job classification, educational, qualifications, job grade and tenure).

1.6 LIMITATIONS OF THE STUDY

This study was conducted at a large insurance organisation in the Western Cape and the sample group was selected from the Operations unit within the organisation. Due to the fact that a convenience sample was used, the findings cannot be generalised and therefore would be low in external validity. The sample was selected from staff members on post grades nine and above, which includes specialists, first line and senior management, thus limiting generalisability to lower work levels.

Given the case study nature of this investigation, results of findings may be specific only to the Operations unit and may not be generalised to the other business units within the organisation, or to other similar business units outside of the organisation. However, the business unit could use the outcomes of the research study to revisit its current reward and recognition programmes and in particular focus on addressing the needs of diverse groups of people within the business unit.

1.7 OVERVIEW OF THE CHAPTERS

Chapter 1 provides an overview of the relationship between rewards and recognition, the aims and objectives, the hypotheses of the study, as well as the limitations and benefits of the study. It provides brief insight into the research study.

Chapter 2 provides definitions of the most important concepts, such as motivation, reward management and performance management. This chapter provides an insight into these concepts by focussing on previous research in this area and presents reviewed literature relevant to this study.

Chapter 3 describes the research design utilised. Specifically, the chapter describes the sample of the study, the measuring instrument used, the procedure followed to gather the data, the hypotheses and the statistical techniques used to analyse the data.

Chapter 4 reports on the results of the empirical analysis. The chapter proceeds with an analysis of the descriptive statistics on the variables under consideration. To facilitate ease in conducting the empirical analyses, the results of the descriptive analyses are presented first, followed by the inferential statistical analysis.

Chapter 5 describes the results of the study in greater detail and where appropriate, existing literature is integrated into the discussion. The limitations of the study and the implications for future research are addressed and the chapter concludes with recommendations.



This chapter reflected on the aims and objectives, the hypotheses, the limitations as well as benefits of the study. It also provides a brief overview of the literature. The following chapter provides some insights into the concepts that have an impact on employee motivation and satisfaction. Focus will be placed on previous research in this area, and reviewed literature relevant to this study will be presented.



CHAPTER 2

LITERATURE REVIEW

The focus of this chapter is to provide insights to the theories that have shaped the understanding of motivation, by focussing on the content theories of motivation. The chapter proceeds with an in-depth presentation of a total rewards management programme and the support that a performance management process can provide to such a programme. Given the focus of this research study, it is important to have a sound understanding of the meaning of rewards and recognition, as they are often used interchangeably, but the literature indicates that there are unique, tangible differences between these concepts.

2.1 INTRODUCTION



Today's reality is that people influence important aspects of organisational performance in a multitude of ways. People conceive and implement the organisational strategy, while the mix of people and systems mostly determines an organisation's capabilities. Competencies are required to execute the strategy, and these competencies are primarily a function of the skills and knowledge of an organisation's human capital. Therefore, if an organisation is to treat its employees as its most important asset, it has to be knowledgeable about what it is that motivates people to reach their full potential (Lawler, 2003).

Harris (1996) maintains that the workplace rules have changed. The workplace realities of yesterday no longer exist and what was once a dream of a lifetime job guaranteed in exchange for lifetime company loyalty has died. As the workplace rules have changed, so too must the way organisations meet the new motivational needs of today's employee.

This changing work environment is well summarised by Beer et al. (1984), in which they support the fact that organisations today have significantly changed. In order for an organisation to meet its obligations to shareholders, employees and society, its top management must develop a relationship between the organisation and employees that will fulfil the continually changing needs of both parties. At a minimum, the organisation expects employees to perform reliably the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. Management often expects more: that employees take initiative, supervise themselves, continue to learn new skills, and be responsive to business needs.

At a minimum, employees expect the organisation to provide fair pay, safe working conditions, and fair treatment. Like management, employees often expect more, depending on the strength of their needs for security, status, involvement, challenge, power, and responsibility. Just how ambitious the expectations of each party are vary from organisation to organisation. For organisations to address these expectations an understanding of employee motivation is required (Beer et al., 1984).

Carnegie (1975) emphasizes the human aspects of management. They postulate that as it is people who make a business succeed – or fail – it is the organisation’s chief responsibility to motivate their people so that they will assure success. The authors believe that each human being has the potential for creativity and for achieving goals. The infinite question is how organisations reach this potential and how they stimulate creativity and foster in their people the desire to succeed and to achieve self-fulfilment through their work. The common theme of the above authors is the belief that people need to be respected and treated as precious human capital, more essential to an organisation’s effectiveness than its financial capital. People are now seen as the primary source of a company’s competitive advantage. Therefore, the way people are treated increasingly determines whether an organisation will prosper or even survive (Lawler, 2003).



Organisations are under constant pressure to enhance and improve their performance and are realising that an interdependent relationship exists between organisational performance and employee performance. In the following section the focus will be on the motivational theories and the impact that these theories have on enhancing employee performance.

2.2 MOTIVATION AND JOB PERFORMANCE

Motivation is defined as “a set of processes concerned with the force that energises behaviour and directs it towards attaining some goal” (Baron, 1983). Kreitner and Kinicki (1992, p. 162) postulate that motivation represents, “those psychological processes that cause the arousal, direction and persistence of voluntary actions that are goal directed.” If it is the role of managers to successfully guide employees toward accomplishing organisational objectives, it is imperative that they understand these psychological processes.

Motivation is further described as being intentional and directional. The word ‘intentional’ refers to personal choice and persistence of action, whilst ‘directional’ denotes the presence of a driving force aimed at attaining a specific goal. In other words, a motivated person is always aware of the fact that a specific goal must be achieved, and would direct their effort at attaining that goal (Nel et al., 2001).

Mol (1992) on the other hand distinguishes between the terms ‘movement’ and ‘motivation’. When a person carries out a task just for the sake of being remunerated, the person is moved rather than motivated. It is only when individuals carry out a task because they are enjoying it or are totally involved in it that they are motivated.

According to La Motta (1995), motivation is simply the reason individuals have for doing the things they do. In day-to-day society many different things motivate people, and that which motivates one person may not necessarily motivate another. Things such as a love for life, a desire to succeed, fear of failure, the need for self-fulfilment or self-esteem, are all factors that influence motivation.

In conjunction with this, employee motivation is a process that an organisation can foster and nurture so that it can occur spontaneously. If organisations believe that people are naturally motivated, they must simply provide the environment and atmosphere that fosters and supports their motivation (Baron, 1983).

La Motta (1995) posits the view that, the common wisdom is that managers have to learn to motivate people. He believes that employees bring their own motivation, and what they need from work is to be liberated, to be involved, to be accountable and to reach their full potential.

Harris (1996) advances the notion of 'heartpower', which he defines as employee's engaged passion for excellence. In accordance with this, organisations that capture the hearts of their employees seldom have to be concerned about motivation, as engaged hearts motivate themselves. People who are engaged and self-motivated do not have to be managed, as they are motivated by doing a job they believe in, in a constructive direction.

According to Lawler (1973) as cited in Barling, Fullagar and Bluen (1987), a theory of work motivation must account for the control and prediction of behaviour. It must account for the phenomenon of voluntary behaviour being initiated, that is, it should identify the energisers of voluntary work behaviour. A theory of work motivation must explain how human behaviour is directed or channelled.

2.3 THE CONTENT THEORIES OF MOTIVATION

Content theories of motivation emphasise the reasons for motivated behaviour and/or what causes it. These theories specify the correlates of motivated behaviour that is states, feelings or attitudes associated with motivated behaviour, and help to represent physiological or psychological deficiencies that an individual feels some compulsion to eliminate. Content theories lend insight into people's needs, thus, help a manager to understand what it is that energises and sustains their behaviour, and what they will and will not value as work rewards (Schermerhorn et al., 1991).

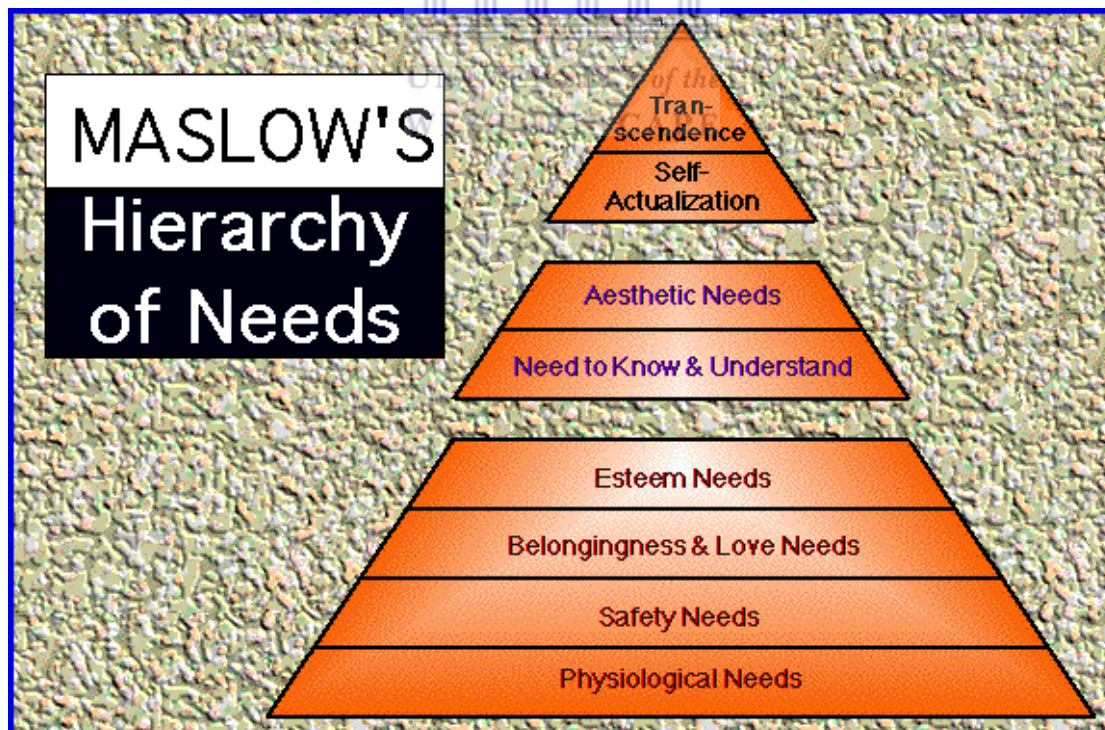
The reality is that organisations can accomplish little without competent people. To achieve success, organisations must attract, retain, and motivate the best and the brightest. There are numerous conflicting theories about why people make certain career choices, why they seek particular rewards, and why they are satisfied or dissatisfied with their work and rewards. To get clarity on these issues it is important to delve into the psychological literature on motivation and performance capability. Hence, it is deemed expedient to understand traditional and contemporary motivation theories that play a role in reward and recognition (Lawler, 2003).

2.3.1 THE NEEDS HIERARCHY THEORY OF MASLOW

As the most known theorist of motivation, Maslow postulates that people are motivated to satisfy needs and that these needs can be arranged in a hierarchy of importance. According to Maslow, people constantly desire better circumstances; they always want what they do not yet have.

Maslow arranged his needs in five categories and the significance about this theory is that lower level needs must be satisfied before higher level needs can be met (Schultz, 1982). Maslow attempted to synthesize a large body of research related to human motivation. Prior to Maslow, researchers generally focused separately on such factors as biology, achievement, or power to explain what energizes, directs, and sustains human behaviour. Maslow posited a hierarchy of human needs based on two groupings: deficiency needs and growth needs. Once each of these needs has been satisfied, if at some future time a deficiency is detected, the individual will act to remove the deficiency. The first four levels are:

- 1) Physiological: hunger, thirst, bodily comforts, etc.;
- 2) Safety/security: out of danger;
- 3) Belongingness and Love: affiliate with others, be accepted; and
- 4) Esteem: to achieve, be competent, gain approval and recognition.



Source: Maslow (1971)

The different levels of this hierarchy also provide some important insights into how employees' needs can be met so that rewards and recognition are effective.

Level 1 needs refer to the physiological needs, those that are essential to survival, including food, water, rest and sex. Physiological needs are met through the workplace environments in which employees interact and in things such as breaks, meals and holidays

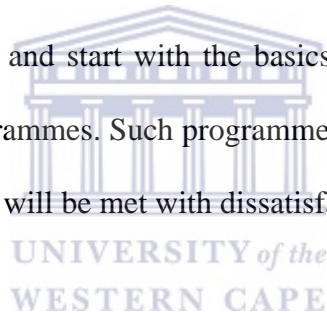
Level 2 needs are the safety and security needs that include the need for protection against physical and psychological threats in the environment. Organisational benefit packages and job security would fall into this category (Baron, 1983).

Level 3 needs would be the social needs that include a sense of belonging, association, affiliation, and acceptance by others and includes the need for social interaction and for affection and support. On this level employees would have the need to feel that they matter and that they make a difference to the organisation (Baron, 1983).

Level 4 needs refer to the need for self-respect and esteem from others. The need for both intrinsic and extrinsic motivation stems from here. Humans have the need for psychological touch (intrinsic) and physical touch (extrinsic). The need for outside recognition and acknowledgement of who we are and what we do is very high. Organisations who realise this use quality recognition to address this need (Baron, 1983).

Level 5 is the need for self-actualisation that refers to the opportunity to fulfil one's potential and to grow into unique individuals. As organisations become aware of the need for self-expression, there is more focus on providing opportunities for employees to address personal growth issues. As individuals spend much of their time in the workplace, it has become the responsibility of organisations to help individuals meet these higher level needs (Baron, 1983).

Due to its simplicity, Maslow's theory has proven to be very popular amongst managers. The implications for managers are clear, - create conditions in which employees' lower-level needs can be satisfied so that they are motivated to reach their full potential - to self-actualise. However, given this theoretical base, it is evident that organisations must reflect on and start with the basics, before introducing elaborate rewards and recognition programmes. Such programmes, in the absence of addressing the basic needs of employees, will be met with dissatisfaction (Baron, 1983).



2.3.2 ALDERFER'S ERG THEORY OF MOTIVATION

Developed by Alderfer, the ERG theory is closely related to Maslow's hierarchy of needs. Instead of five categories of needs, Alderfer (1972) hypothesises that individual motivation in organisations can be understood in terms of existence (E), relatedness (R) and growth (G) needs.

Alderfer's Hierarchy of Motivational Needs

Level of Need	Definition	Properties
Growth	Impel a person to make creative or productive effects on himself and his environment	Satisfied through using capabilities in engaging problems; creates a greater sense of wholeness and fullness as a human being
Relatedness	Involve relationships with significant others	Satisfied by mutually sharing thoughts and feelings; acceptance, confirmation, understanding, and influence are elements
Existence	Includes all of the various forms of material and psychological desires	When divided among people one person's gain is another's loss if resources are limited

Source: Alderfer (1972)

Existence needs are roughly comparable to the physiological and safety needs of Maslow's theory. It is concerned with the requirement that people have for material and energy exchange and the need to reach and maintain a homeostatic equilibrium with regard to certain material substances (Armstrong, 1991). Organisations can satisfy these needs through salary, fringe benefits, a safe working environment, and some measure of job security. It relates to tangible goals such as being able to buy food and pay for shelter (Schultz, 1982).

Relatedness needs acknowledge that people are not self-contained units but must engage in transactions with their human environment (Muchinsky, 1987). It is concerned with the interactions and social contacts with other people, which satisfy the need for belonging and acknowledgement. Acceptance, confirmation, understanding and influence are elements of the relatedness process (Armstrong,

1991). Employers can meet this need in the workplace through support, respect and recognition (Schultz, 1982).

Growth needs focus on the self and include the need for personal growth and development. It is the counterpart to the esteem and self-actualisation needs of Maslow. This need can only be satisfied if people are given opportunities to use their capabilities to the full. In terms of this motivation theory, a job can provide satisfaction if it involves challenge, autonomy, and creativity (Schultz, 1982).

Basic Postulates of ERG Theory

ERG theory implies that individuals will be motivated to engage in behaviour that will satisfy one of the three sets of needs, as hypothesised by the theory. To predict what behaviour a person will be motivated to engage in would require an assessment of that person to determine which of the three needs are more salient and most important. The individual should then be given opportunity to engage in tasks that would lead to the fulfilment of these salient needs (Arnold & Feldman, 1986).

ERG theory does not assume that a rigid hierarchy exists where lower needs must be satisfied before the person can move on or move up or down the hierarchy of needs. ERG also demonstrates that more than one need may be operative at the same time and if the gratification of a higher level need is stifled, the desire to satisfy a lower level need increases (Robbins, 1993). By comparing ERG to Maslow's hierarchy of needs, there are some distinct differences between these theories.

While Maslow stated that people would persevere to satisfy a need, Alderfer states that frustration of a higher need may result in a reversion to a lower need. For example, an employee who does not get the relatedness needs of recognition and acknowledgement satisfied may revert to existence needs, such as demanding an increase in salary or benefits. Maslow believed that once a need has been met it does not continue to motivate the employee. Alderfer's theory suggests that satisfaction of a need may increase its intensity. This creates a challenge for the offering of rewards and recognition in the workplace, in terms of being continually innovative and creative with such programmes (Schultz, 1982).

2.3.3 DOUGLAS HALL'S AGE THEORY OF MOTIVATION

Hall's theory on motivation relates more to an individual's chronological age and that needs are largely dependent on the age, which relates to what stage the individual is at in their career. According to Hall's theory, employees in their early career seek advancement, friendships, money and opportunities to develop skills (La Motta, 1995).

Employees under the age of thirty tend to rank "good salary" as first in an order of what is important on a job, while employees over fifty are more concerned with "interesting work". Recognition for employees between forty and fifty-five would be to be left alone to do their jobs in the best possible way and to be self-directed. Quality rewards and recognition should therefore be geared towards the needs of differently aged employees. It is thus evident that a "one size fits all" approach to reward and recognition would not work (La Motta, 1995, p. 18).

2.3.4 HERZBERG'S TWO-FACTOR THEORY OF MOTIVATION

In terms of Herzberg's two-factor theory of motivation, employee needs can be divided into two groups; namely, satisfiers or motivators, because they are seen to be effective in motivating the individual to superior performance and effort. The other consists of dissatisfiers, which mainly describe the environment and serve primarily to prevent job dissatisfaction, while having little effect on positive job attitudes. These are called hygiene factors, implying that they are preventative and environmental (Armstrong, 1991).

During his experiments, Herzberg found that certain characteristics tend to be consistently related to job satisfaction. Intrinsic factors, such as achievement, recognition, the work itself, responsibility, advancement, and growth seem to be related to job satisfaction. When respondents questioned felt good about their work, they tended to attribute those factors to themselves. On the other hand, when they were dissatisfied, they tended to cite extrinsic factors such as company policy, administration and supervision. Herzberg deduced from these experiments that the opposite of satisfaction is not dissatisfaction, as was believed. He found that removing dissatisfying characteristics from a job does not necessarily make the job satisfying. He thus proposed a dual continuum, where the opposite of satisfaction would be no satisfaction and the opposite of dissatisfaction would be no dissatisfaction (Robbins, 1993).

According to Herzberg's two-factor theory of motivation, organisations cannot begin to motivate employees until that which dissatisfies them has been removed. Hygiene factors such as salary, working conditions and supervision are not motivators even when they are being met. Other types of hygiene factors include, company policy, poor interpersonal relations, and job security. The meeting of lower-level needs of employees is not motivating, but can have a demotivating impact if not met. True motivation only kicks in when an employee's higher-level needs are met (La Motta, 1995).

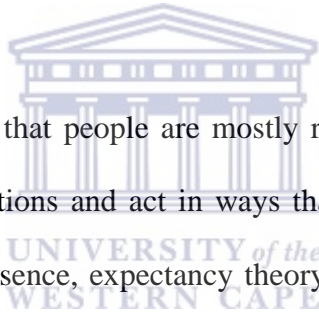
Herzberg's motivators are the factors that motivate employees to the highest level of performance. These motivators are an integral part of the work itself and include factors such as the nature of the work, the person's sense of achievement, level of responsibility, personal development and growth, recognition for a job well done and feedback (Schultz, 1982). The relevance of Herzberg's theory to the discussion of reward and recognition is that a dissatisfied employee cannot be motivated. It is thus important that an organisation first give attention to hygiene factors before introducing motivators into the workplace (Nel et al., 2001).

Intrinsic to Herzberg's theory is the fact that only motivators cause true motivation since the hygiene factors are of short-term duration, they could never be truly associated with work motivation. Rather they would be involved in reducing negative factors in the work environment (Barling et al., 1987).

2.3.5 THE EXPECTANCY THEORY OF MOTIVATION

Vroom is the father of Expectancy theory. According to this theory, individuals make choices based on their perceived expectancy that certain rewards will follow. Translated, this means that they are only motivated to act in a specific way if they believe that a desired outcome will be attained (Nel et al., 2001).

In organisations, this means that individuals will choose to perform at a level that results in the greatest benefit. They will therefore work hard if they expect this effort to lead to desirable rewards such as salary increase, promotion or recognition (Schultz, 1982). Given this, it is important to tie performance to rewards.



Expectancy theory postulates that people are mostly rational decision makers. They therefore think about their actions and act in ways that satisfy their needs and help them attain their goals. In essence, expectancy theory points to the fact that people are motivated by the promise of rewards, that is linked to a specific goal. The theory is based on the knowledge that there are huge differences among people in their needs and as a result in the importance they attach to rewards (Lawler, 2003).

2.3.6 SKINNER'S BEHAVIOURAL SCIENCE THEORY OF MOTIVATION

According to Schultz (1982), a few of the most important points of behavioural science as it relates to quality recognition include:

- Behaviour is shaped almost exclusively by the effects of an outside stimulus being applied, as well as by both positive and negative reinforcement.

- Actions that are reinforced or rewarded tend to be repeated more frequently under the same or similar conditions.
- Reinforcement is most effective when it is timed correctly, that is, when it occurs during or immediately upon the conclusion of the behaviour that one wants to affect (Schultz, 1982).

An interesting finding of behavioural science that is very relevant to recognition is that intermittent rather than continuous reinforcement increases individual responsiveness to recognition (La Motta, 1995).

The implication this holds for rewards and recognition and how it is applied is that when reward or recognition is given too often, the motivation that results from it decreases. The main reason why a paycheck does not motivate is because employees expect to be paid for that which they contribute. It seems that the surprise element in recognition is important too, as it has been proven that motivation increases when employees receive praise, recognition, or a salary increase that is unexpected, rather than when people know something is coming (La Motta, 1995).

It also means that the reward or recognition should be presented as close as possible to the event. Since motivating employees with diverse interests and needs represents a fundamental challenge for organisations, it is evident that management will have to develop mechanisms by which they can harness the potential of all employees through effectively designing systems that will take cognisance of these individual differences (La Motta, 1995).

Careful consideration should be given to the above motivation theories when developing reward and recognition programmes as they present interesting insights into the aspects those individuals would regard as important and relevant.

2.4 JOB PERFORMANCE AND MOTIVATION

A key question to ask at this juncture is what the relationship is between motivation and job performance? La Motta (1995) defines job performance as the result of motivation and ability. Ability includes training, education, equipment, and simplicity of task, experience and both inborn mental and physical capacity. Given all of these factors at their peak, an employee may still not perform well on the job if the motivation is not directed at that particular task.

Lawler (2003) supports this in stating that people need both motivation and ability. Highly motivated workers will not achieve results if they do not have the necessary skills, expertise and attitude that the organisation requires of them. Similarly, employees with expertise, knowledge and skills will not do well if they are unmotivated. He further says that the most widely accepted reason why people are motivated to work and perform is rooted in expectancy theory. Baron (1983) posits the view that if successful performance does in fact lead to organisational rewards, such performance could be a motivational factor for employees. Under such conditions, they can see that their efforts result in rewards. Consequently they may be motivated to exert higher levels of effort on the job. In summary, not only can motivation influence performance, but also that performance – if followed by rewards – can influence motivation.

2.5 TOTAL REWARDS MANAGEMENT

From the above discussion on motivation and performance, it is obvious that a multi-factorial approach has to be followed to understand motivation. Motivation is becoming increasingly important. The introduction of concepts such as total quality management and flatter management structures, to mention only a few, has meant that more is demanded from employees. If organisations are more upfront about what they are demanding, then they should also be explicit about how they can reward individuals who go the extra mile (Baron, 1983).

There are two schools of thought how this could be accomplished in the workplace, one way could be to say thank you in a formal way through a badge, certificate or a written note, whilst another could be to bestow a concrete reward to create an impact (Syedain, 1995). According to Lawler (2003), there are at least two factors that determine the attractiveness of a reward; one is how much of the reward is being offered and the second is how much the individual values the type of reward that is being offered. He argues that the more the individual values the type of reward and the more of it is being offered, the greater the motivational potential.

Beer et al. (1984, p. 117) succinctly argue that:

“Organisations must reward employees because, in return, they are looking for certain kinds of behaviour: they need competent individuals who agree to work with a high level of performance and loyalty. Individual employees, in exchange for their commitment, expect certain extrinsic rewards in the form of promotions, salary, fringe benefits, bonuses, or stock options. Individuals also seek intrinsic rewards such as feelings of competence, achievement,

responsibility, significance, influence, personal growth, and meaningful contribution. Employees will judge the adequacy of their exchange with the organisation by assessing both sets of rewards.”

Deeprouse (1994, p. 26) posits the view that effective reward management can help an organisation to achieve its business objectives by attracting and retaining competent people. Reward management is defined as:

“the process of developing and implementing strategies, policies and systems which help the organisation to achieve its objectives by obtaining and keeping the people it needs, and by increasing their motivation and commitment.”

It is concerned with intrinsic as well as extrinsic motivation, the non-financial as well as the financial rewards (Armstrong & Murlis, 1991).

The reward management system can therefore be seen as a set of relationships between the various reward management processes and the corporate strategy. Reward management strategy and policy is thus driven by corporate and human resource management strategies, such as Employer of Choice (Armstrong & Murlis, 1991).

2.5.1 THE ELEMENTS OF A TOTAL REWARDS PROGRAMME

Armstrong and Murlis (1991) suggest four main areas that should be addressed in a reward management system. These are:

- 1) **Pay structures**, which by combining the results of market surveys and job evaluation, define the levels of pay in the organisation;
- 2) **Employee benefits** that satisfy the needs of employees for personal security and provide remuneration in forms other than pay;
- 3) **Non-financial rewards** which satisfy employees' needs for variety, challenge, responsibility, influence in decision-making, recognition and career opportunities; and
- 4) **Performance management** that provides the basis for continuing as well as formal reviews of performance against targets and standards.

A performance management system usually leads to the development of training and development programmes that meet the need for growth and achievement. It also leads to the design of performance-related pay systems that has an impact on bonus and incentive payments.

The above four factors will be discussed in greater detail in the following sections of this chapter.

Sarvadi (2005) proposes a strategic reward system that creates a balanced offering to employees. The author supports the fact that a reward system should address a variety of processes and likewise suggested at least four areas; namely compensation, benefits, recognition and appreciation. Of the above factors, a reward system usually puts compensation at the top of the list, followed by benefits.

According to Martocchio (1998), compensation denotes both the intrinsic and extrinsic rewards employees receive for performing their jobs. Intrinsic compensation refers to the employee's psychological mindsets that result from performing their jobs. It refers to the enjoyment and the sense of achievement that employees experience as a result of their work. Extrinsic compensation includes both monetary and non-monetary rewards. Non-monetary reward includes the benefits that employees receive apart from pay.

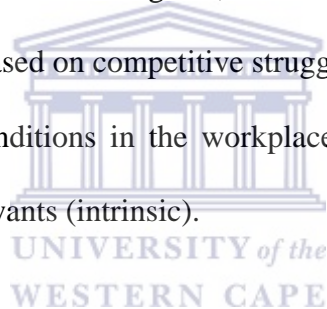
Barton (2002) argues that formal reward programmes denote financial rewards such as salary, fringe benefits, bonuses, promotions and share options, which play a significant role. In addition to this, people expect too that the company should offer good benefits, inter alia access to medical aid and pension funds. However, it appears that employees accept these as intrinsic factors to the job and that the offerings of such rewards are not the elements that motivate employees. Sarvadi (2005) further states that the most common problem in organisation's today is that they miss the important components of recognition and or appreciation, which are the low-cost, high-return ingredients to a well-balanced reward system.

Incentive programmes that involve cash payments are expensive to maintain and have several drawbacks. Incentive alternatives that have proven to be more successful are tailored to individuals and their accomplishments and bestowed as frequently as is necessary (Stephenson, 1995). Despite evidence to the contrary, human resources professionals still dismiss awards, recognition and incentive programmes as 'feel good' activities. Evidence suggests that there exists a strong link between non-cash awards and incentives and improved job performance (Wiscombe, 2002).

According to Lawler (2003), a truly motivational reward system must be designed with a few parameters in mind: it must motivate employees to perform through valued and truly sufficient rewards, provide them with a clear line of sight, give them the power to influence their performance, and deliver on its promise.

Wilson (1994) argues that a reward system needs to have a positive impact on behaviour. To accomplish this, rewards need to be:

- Contingent on achieving desired performance levels rather than on merely doing certain tasks;
- Meaningful and valuable to the individual;
- Based on objective and attainable goals;
- Open to all, and not based on competitive struggles within the workplace; and
- Balanced between conditions in the workplace (extrinsic) and fulfilment of individual needs and wants (intrinsic).



Lawler (2003) maintains that the magnitude of rewards must satisfy the basic human needs of survival and security. Organisations must choose relevant rewards over which they have the potential capability to provide and manipulate; the distribution of rewards must be perceived as being done in a fair and equitable manner; organisational members must perceive a link or contingency between their job performance and the rewards they receive; and the rewards used by an organisation must be valued by the individual members of that organisation. In the absence of these factors the rewards programme will not motivate in the long term and will discourage risk-taking behaviour.

In their drive to stay competitive, organisations increasingly reward and recognise employees as part of their total quality programme. Such programmes provide a range of monetary and non-monetary rewards and are planned and implemented either in-house or using the help of consultants. People feel appreciated by this and employees identify with the organisation and are more willing to give their best to the job (Armstrong & Murlis, 1991).

2.5.2 INTRINSIC VERSUS EXTRINSIC REWARDS

The discussion of rewards focuses attention on the elements of intrinsic versus extrinsic rewards and the impact that they could potentially have on reward programmes. Individuals engage in work-related activities to attain some variety and magnitude of rewards. Certain rewards, including pay, promotions, and company status are extrinsic since they are provided by the organisation. Others such as feelings of achievement, accomplishment and self-satisfaction are intrinsic (Arnold & Feldman, 1986).

Intrinsic rewards stem from Maslow's higher level needs. It proposes that people can give themselves rewards in the form of self-esteem as well as in feelings of achievement and growth. Individuals can literally reward themselves for certain kinds of behaviour because they feel they have accomplished something of worth, achieved a personal goal, learnt a new skill, or experienced excitement or intellectual stimulation. It would appear that the greatest amount of motivation is present when people perform tasks that are both intrinsically and extrinsically rewarding (Lawler, 2003).

The types of rewards available to employees and the manner of their distribution can have a striking impact on both employee satisfaction and organisational effectiveness. Although a variety of purposes may potentially be served, rewards are most typically used to motivate employees or induce some desired action or behaviour (Arnold & Feldman, 1986).

2.5.3 FINANCIAL REWARD PROGRAMMES – COMPENSATION AND BENEFITS

One of the major criteria for the quality of work life is adequate and fair compensation. Compensation broadly refers to all the ways in which an organisation may reward employees for the services that they render. These rewards could include wage and salary payments, fringe benefits, such as vacations, pensions, and medical aid, status symbols, promotion and security (Sethi & Pinzon, 1998). Compensation is the primary inducement offered to employees in exchange for the contributions of labour services in the employment contract (Lawler, 1990).

Compensation management methods and techniques can significantly affect the relationship between an organisation and its employees. Such methods and / or techniques should not create fixed cost patterns and operational constraints but should be managed as a variable linked to the strategy and success of the organisation. Compensation should be managed in a way that reflects and is consistent with the culture of the organisation. The rewards offered to employees, and the occasions for these rewards, are amongst the most visible and potent manifestations of the organisation's culture (Schuster & Zingheim, 1992).

The compensation system should be designed to drive, reinforce and sometimes alter the culture in such a way that the organisation's goals will be supported (Schuster & Zingheim, 1992). There are many different types of pay systems; - piecework with a wide variety of formulae; measured day-work and high-rate systems; plant-wide incentives and framework processes which affect pay. In its various ways all these systems all try to relate performance to pay, whether it is individually or through small or large groups (Lawler, 1990).

“Flexible compensation” or “cafeteria compensation” is another development in the compensation management arena. Flexible remuneration is a relatively simple concept, which caters for the differing needs of employees. The total cost of employment is established for a particular position and from this is deducted the cost to the employer of providing certain compulsory benefits such as pension, group life and disability assurance and medical aid. The employees then select, from the range of benefits that the employer is prepared to provide, those that are relevant to their specific needs and requirements. The major advantages of this system are that there are no additional costs to the employer and the individual has the facility to structure a remuneration package that meets their individual needs. The idea behind flexible benefits is simple; it reflects the belief that each individual should have the ability to choose the benefits that are most meaningful to them (Martocchio, 1998).

2.5.4 MONEY AS A MOTIVATOR

Martocchio (1998) proposes that culture determines and creates the context for money to motivate individuals in different countries. According to him, employees strive for high levels of performance if they believe that better performance will result in greater pay. He has drawn up the following list based on surveys conducted to determine what money means to people.

- A reward for work well done;
- A means to support oneself and one's family;
- A status symbol - the more you make, the more status you have in the organisation and in society;
- Payment for doing a job – never as much as deserved;
- A trap – the more you make, the more you spend, so the more you need;
- A symbol of professional achievement;
- Payment for doing a job regardless of how well the job was done;
- A means of classifying people (as low-income, middle-income, or high-income); and
- A company's obligation to employees.

From the above list it is obvious to conclude that money represents different things to different people. The question however is, does money motivate employees? In Nel et al. (2001), the authors postulate that whether individuals perceive money as a motivator or not depends on what they perceive as motivation. Most motivation theories mentioned previously, propose that motivation is an internally driven desire to achieve a primary goal.

Employees exert high effort to accomplish goals that will make them feel good. According to Mol (1992), money does not motivate, but rather moves a person to achieve a goal in order to obtain the reward. Herzberg's hygiene-motivator theory, as referred to in 2.3.4, states that extrinsic rewards, such as pay, benefits, working conditions, or company policies do not motivate, they merely ensure that performance is at an acceptable level. Motivated people perform at levels that are higher than the acceptable standard. Intrinsic rewards, such as responsibility, growth, feedback or recognition and opportunities motivate employees to these high levels of performance, more so than simply earning a good salary (Nel et al., 2001).

Lawler (1990) argues that if money as a reward can cause dysfunctional behaviour, it influences behaviour, and therefore also performance. According to him, the effect of money as a motivator largely depends on the pay system applied in the organisation. He further states that when pay systems are not designed well, they either do not motivate, or motivate the wrong behaviour. According to Hall's Age theory, discussed in 2.3.3, employees under the age of thirty tend to rank "good salary" as first in an order of what is important on a job. This brings into focus that money, depending on an employee's age, may be considered more important than other factors (La Motta, 1995).

According to Nel et al. (2001), the critical factor that organisations should bear in mind is from Maslow's theory, referred to in 2.3.1, and related theories. These theories point to the fact that human beings are motivated by internal feelings of accomplishment, capability, and competence, not just by extrinsic rewards such as food, water, acceptance, and financial well-being.

Although money could be seen as a motivator, it is not the only or most powerful source of motivation. Therefore, organisational designs, especially compensation designs, - that focus primarily on pay and that do not emphasise the role of intrinsic rewards, fail to tap a very powerful source of motivation that can lead individuals to perform at extraordinary levels (Nel et al., 2001).

2.5.5 NON-FINANCIAL RECOGNITION PROGRAMMES

Based on the arguments of authors mentioned in earlier sections, it is clear that compensation or pay and benefits play a critical role in the total reward management system. It does appear, however, that an effective reward management system requires both financial and non-financial reward (Deeprise, 1994).

Given the above, the value of informal rewards, which consists of spontaneous, non-monetary forms of recognition as employee motivators, is increasing for two reasons, according to Nelson (1995). The first reason is because formal rewards such as compensation, benefits and promotions are less effective in motivating employees. Secondly, informal rewards are increasingly more effective and highly desired by today's employees. Howard (1997) states that employees should be considered as an asset instead of as a cost, in need of attention and value enhancement. He reports on a study at Wichita University of 1500 employees, where it was found that the most powerful motivator was having a supervisor personally congratulate individuals on a job well done. Despite this finding, only 42% of the study's respondents said that their organisation recognised them in this way.

Without the emotional appeal there is no motivational impact, and the latter is ultimately what organisations want to achieve. Successful employee-recognition programmes that offer tangible rewards that people can imagine receiving and enjoying, more easily motivate people to their highest level of performance. This can be done at a much lower cost than monetary rewards (Sarvadi, 2005).

Jeffries (1997) concurs with this view by stating that organisations can retain their best employees by recognising their contributions to the organisation. Recognition, she argues, motivates employees, as it involves the acknowledgement of the efforts, creativity and willingness of employees to put in extra effort. The author reports on a survey that was conducted by the Performance Enhancement Group that shows that employees favour daily recognition over bonus or higher pay. The study also further revealed that employees who are recognised demonstrate their best efforts in their work.



Jeffries (1997) supports Nelson (1994) in that recognition does not have to be expensive, but emphasises that it must be consistent, and perceived as a long-term commitment by the organisation. There is recognition of the fact that high-performance organisations have always understood the importance of offering awards and incentives that recognise, validate and value outstanding work (Wiscombe, 2002).

Recognition programmes have the purpose of keeping employees motivated and productive and are seen to be effective methods of reinforcing company expectations and goals. The Report on salary survey (2003) conducted in the USA by the Institute

of Management and Administration provides some noteworthy statistics on recognition programmes. They found that:

- recognition programmes were becoming more wide-spread, with 84% of organisations having one in place, and 54% of those without any programmes reporting that they may implement one in the next 12 months;
- the number one reason for implementing a recognition programme is to create a positive work environment, followed by reinforcing positive behaviours and motivating high performance;
- most of these programmes offered both formal and informal types of recognition. Informal programmes might include spontaneous gestures of appreciation, such as a small gift, while a more formal programme would reward years of service, performance and going 'above and beyond';
- the item most widely used as a reward is gift certificates (61%), followed by cash (58%), office accessories (41%), and jewellery (40%);
- the success of recognition programmes is measured mainly through employee satisfaction surveys (61%). Forty seven (47%) gauge it by the number of nominations, and 40% go by usage or participation rates;
- information about recognition programmes is communicated through the intranet (73%), company newsletter (65%), employee orientation (56%), and in employee handbook (35%).
- three quarters of organisations conduct training sessions with their managers to teach them about the recognition programmes, and 42% use a handbook, while 34% rely on on-line education (Report on Salary Survey, 2003).

The above statistics provide some interesting insights and guidelines for the establishment of a recognition programme.

Private and public recognition are two of the most commonly used forms of recognition. Private recognition refers to a quiet thank you or a pat on the back, whilst public recognition is the more formal of the two. Public recognition inspires loyalty and commitment, as well as encouraging better standards of performance (Syedain, 1995). Public recognition is an important part of the reward as the performance of the individual affects more than just one employee. Stating publicly why the person received the recognition and how it links to the organisation goals, could act as a motivator to other employees (Wiscombe, 2002).

According to Jeffries (1997), it is possible for organisations to reap the benefits that result from a motivated, enthusiastic workforce that looks forward to making a difference for the organisation. Sometimes all it takes is a simple, genuine, spoken 'thank you'. Romano (2003) encourages managers to use recognition as the factor that will strengthen the bond between people and the organisation. The author believes that companies who authentically tap into people's feelings and harness this emotional power wisely are those that hold the competitive advantage in the market.

A fundamental part of making an employee feel rewarded and motivated is genuine recognition from their employer.

Based on the above, it is evident that informal recognition programmes are becoming increasingly popular. This movement in employee motivation is much different than the more traditional and formal programmes of recognition, such as employee-of-the-month and annual service awards – that are highly structured and implemented by a timetable.

The focus of informal recognition is on spontaneous, sincere and personal appreciation of employee efforts. The interesting factor of such programmes is that they successfully recognise employees and the jobs they do, while usually requiring little or no funding to implement and maintain. Seemingly small thank you's can enhance a company's work culture and profit margin and can even help organisations grow (Wallsten, 1998).

2.5.5.1 CHARACTERISTICS OF NON-FINANCIAL RECOGNITION PROGRAMMES

Wilson (1994) makes the following suggestions for conditions that stimulates the same or related behaviours in the future:

- **Specific.** Employees must know what they did to earn the recognition, and therefore they need to continue doing it. Performance measurement and feedback are essential for consequences to be effective in shaping desired behaviours.
- **Personalised.** Recognition has to be meaningful to the employee. Thus the method of delivery and the source of the reward are often as important as the item, comment or activity.
- **Contingent.** Recognition has to be earned so that employees feel that they have truly achieved some action or result. Further, for a reward to be effective, the desired behaviour/ performance needs to be within the employee's ability and control (or influence).

- **Sincere.** Recognition has to be given in a manner that is honest, sincere and from the heart.
- **Immediate.** Recognition must be provided soon following the achievement or contribution. Waiting for approval, deadlines or completion may reduce the impact of the reward.

The trend to add informal recognition systems to complement formal rewards programmes have emerged as companies struggled to retain the best employees. In their efforts they have discovered that employee motivation is highly individualised.

If the intention of a recognition programme is to motivate, then the impact of such recognition should be individualised as well. Formal programmes, although successfully meeting specific organisational goals, do not achieve this. They tend to be impersonal and infrequent, usually once a year or quarterly. The same incentives used over and over also tend to lose its effectiveness (Wallsten, 1998).

2.5.6 TYPES OF RECOGNITION PROGRAMMES

Romano (2003) supports Giles's (2004) view and suggests that those responsible for creating reward and recognition programmes should start by thinking about what make people's chest swell with pride, and then to creatively translate these good feelings to the working context. He suggests that managers should make an effort to get to know their employees, and then to tie the rewards and recognition to what they know the employee will appreciate and value.

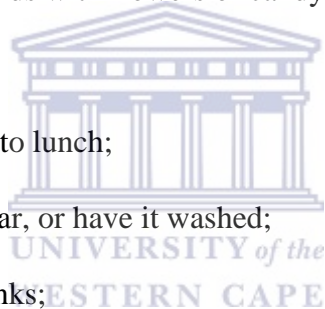
Romano (2003) states that the best way of knowing how to meet employees' needs is by asking them how they want to be rewarded and recognised and what the elements are that they value.

Barton (2002, p. 12) suggests the following categories for a recognition programme.

EMPLOYEE RECOGNITION PROGRAMMES		
TYPE	DESCRIPTION	EXAMPLES
Cash awards	Programmes that provide either a fixed cash award or are based on a percentage of the employee's pay.	<ul style="list-style-type: none"> ▪ Lump-sum bonus ▪ Cash incentive ▪ Additional paid time off ▪ Paid trips ▪ Gift certificates ▪ Specialised training ▪ Prize programme tied to earning points
Spot programmes	Recognition programmes that have low or minimal cost and do not require a formal plan document or extensive administration.	<ul style="list-style-type: none"> ▪ Movie tickets ▪ Paid meals ▪ Flowers ▪ Tickets to special events
Symbolic awards	Recognition programmes designed to provide a tangible award or memento.	<ul style="list-style-type: none"> ▪ Service award ▪ Quality award ▪ Recognition certificates ▪ Plaques and trophies
Verbal recognition	This approach provides praise directly to the individual or team.	<ul style="list-style-type: none"> ▪ Thank you card ▪ Testimonies from senior leadership ▪ Customer feedback ▪ Written congratulations ▪ Public recognition

Nelson (1994, p. 11) sums it up very well when he says “you get the best effort from employees not by lighting a fire under them, but building a fire within them.” In his book “**1001 Ways to recognise employees**” he makes the following suggestions for informal recognition. These types of recognition would fit into the above category of informal recognition, such as spot programmes or verbal recognition and are generally low cost in nature.

- Buy “welcome to the team” flowers for a new employee on their first day;
- Put gold stars on employees’ name badges;
- Give out “time off” certificates;
- Create a “hall of fame” for top employees;
- Hand out thank you cards with flowers or candy;
- Give movie tickets;
- Take an employee out to lunch;
- Wash an employee’s car, or have it washed;
- A personal note of thanks;
- Spoken ‘thank you’;
- Travelling trophy;
- Birthday day or half day off;
- Plaque or certificate;
- Achievement acknowledged at staff meetings;
- Volunteer to do a colleague’s least desirable work task for a day;
- Pay for a magazine subscription;
- Give CD or dinner vouchers;
- Bake a batch of the person’s favourite cookies;
- Pay for a housecleaning service for an employee’s home;



- Give sticky notes with a saying appropriate to their personalities;
- Send a R50 or R100 to the employee's spouse with a thank you note for their support during the employee's overtime.

Although compensation is a key factor in retention, authors referred to in previous sections in the chapter have noted that it is justifiably not the most important factor. Lack of recognition has been cited as one of the primary reasons for top talent leaving (Sethi & Pinzon, 1998). The challenge of informal rewards is to find the right match between the individual and the recognition given, as the psychic income of being openly acknowledged and appreciated equals or exceeds the material, monetary income. In conjunction with this, Pollock (1995) argues that leaders who recognise the power of the emotional appeal of informal forms of recognition can more easily motivate employees to higher levels of performance, often for much lower costs than monetary rewards.



2.5.7 GUIDELINES FOR IMPLEMENTING A TOTAL REWARDS PROGRAMME

According to Nelson (1994), individuals tend to be more strongly motivated by the potential to earn rewards than by the fear of punishment. This suggests that management control systems would be more effective if it is reward oriented.

Nelson (1994) proposes the following guidelines for implementing informal reward or recognition programmes.

- 1) **Link the rewards and recognition to organisational goals.** Informal rewards should support and encourage behaviour that results in the attainment of company goals.
- 2) Granting of rewards and recognition should as far as possible be **related clearly and explicitly to desired performance** as reflected by the standards or controls that are put in place by the organisation.
- 3) **Clearly define the parameters and mechanics,** with respect to the behaviour that the organisation wishes to reinforce, then identify the specifics of a rewards and recognition system. The reason for awarding the recognition must be clear and understood by all.
- 4) **Obtain commitment and support** and employee involvement in the programme from the start. It is important to communicate the programme in a manner that elicits interest and as a fun activity that will benefit the company as well as its employees.
- 5) **Monitor the effectiveness of the programme.** Programmes must be monitored to ensure that they are creating the desired impact. Even the most effective programmes must be constantly revamped to ensure that they continue to deliver the desired effect.
- 6) **Link formal and informal reward programmes.** It is important to ensure that informal recognition is in line with the company's more formal reward programme.

2.5.8 BENEFITS OF TOTAL REWARDS PROGRAMMES

Romano (2003) maintains that reward and recognition make people feel and look good and therefore motivated to achieve more. Organisations therefore need to look beyond rewards, at what drives people to succeed, and provide examples of how reward and recognition can be harnessed as an effective motivational tool.

When considering how to reward employees' cash is often the easiest option. The author argues however, that giving money would not generate the benefits that organisations could achieve if they were to give more thought and consideration to recognition that is tailored to the individual (Wallsten, 1998).

Organisations that have implemented informal recognition programmes have witnessed many valuable benefits with respect to both the hard and the soft side of the business, and one of the most tangible benefits mentioned by organisations related to employee morale. Given the current workplace issues such as mergers and acquisitions, downsizing, and retrenchments, the resultant effect is that many employees feel distraught and even pessimistic about their futures and careers. It has been found that using informal recognition can reduce this pessimism, which hinders performance and productivity. By acknowledging employee's efforts more personally, more locally and more frequently, informal recognition can lift employee motivation and improve overall organisational morale (Curran, 2004).

According to Croce (2004), managers should seek reasons and moments to recognise employees for increased effort, persistent positive attitude and peak performance, and recognise them for this.

Nelson (1995) suggests that there are at least three trends favouring the increasing use of informal recognition today and in the future.

The trend towards fixed compensation. Employee compensation programmes are moving toward fixed compensation systems in which salaries are frozen and merit increases paid on a bonus basis. This change places pressure on organisations to find alternative ways in which to reinforce desired behaviour. Informal rewards can help accommodate this need for new reinforcers.

The trends toward empowered employees. Empowered employees have increased responsibility and autonomy to act in the best interest of the company. Management's challenge is thus to build adaptability into the controls of the organisation, thus providing employees with more flexibility and freedom to be innovative whilst directing their activities towards the common purpose of the organisation. The use of informal rewards can help influence desired employee behaviours in effective, yet non-directive ways.

The trend toward increased uncertainty. Organisations face rapid change and are operating in a dynamic, changing environment, where it must be more flexible, employ less formal mechanisms and increase the use of informal controls. Informal systems such as recognition and feedback have been found to be more effective during times of uncertainty. Hence, Nelson (1995) maintains that informal recognition also has potential for executives as they have usually satisfied their basic financial needs. While additional bonus may play a role, personal incentives, such as recognition or achievement, become more important.

Barton (2002) continues by saying that reward involves giving something of value to recognise positive work results. Reward therefore is integral to recognising employees' contributions, but should not be the sole focus of recognition. The author refers to Herzberg's theories of satisfiers versus dissatisfiers in the workplace, which clearly establishes recognition as a satisfier or motivational factor. According to Herzberg's theory, the extrinsic factors such as salary, supervision, working conditions and other work factors that are perceived by the employee to be offered by the company, will at best prevent employees from being dissatisfied. These factors focus largely on working conditions and working environments, which is to a large extent guided by legislation. Herzberg identified recognition as that which is received by an individual with the accomplishment of a task or job, and this could entail noticing and praising an individual.

Barton (2002) further maintains that the distinguishing factor in the Fortune's annual list of "100 Best Companies to work for" is that these companies see recognition as an integral component of the organisation's total rewards programme. A comprehensive total rewards programme includes compensation, benefits and the total "work experience". The work experience component of total rewards includes recognition and programmes geared towards work-life needs. All reward systems are based on the assumption of attracting, retaining and motivating people. Financial rewards are important, but there are other factors that would motivate employees and influence their level of performance. This brings the discussion to the topic of work-life balance as a factor that enhances motivation and job performance.

2.5.9 WORK-LIFE BALANCE

According to Hofer (2005), there is growing recognition that work and life cannot be neatly compartmentalised. This places pressure on organisations to review their employment conditions. Work-life balance is concerned with all the different aspects of an employee's life, and therefore workplaces have to be fun and interesting if it is to motivate employees. It should consider all the factors that would make employees happy, from career development opportunities to individual arrangements for childcare, flexible working hours and forms of informal recognition that includes work-life issues.

This notion is supported by Fitzgerald and Thirsk (2005) who postulates that work-life balance will be the new buzzword as employers wake up to the fact that the world has moved on. However, if work-life balance is underestimated as a factor in creative productivity, then men could be affected by this just as much as women. Let us suppose that the present overwork culture favours highly competitive males who are less concerned by their lack of home life, irrespective of whether their skills are the right ones for the workplace. In such a culture, fathers who prioritise caring for their children are just as likely to suffer discrimination in the workplace as their female counterparts. The obvious scientific approach to diversity in the workplace would be to stop categorising people by sex altogether, and to seek rounded human beings, whose home lives are not kept rigidly separate from their corporate environment.

Men and women are most productive working in a balanced mixed-sex environment without sexual discrimination. In other words, in a successful organisation the whole is greater than the sum of its parts.

Stephenson (2005) posits the view that top management must actively demonstrate its support for organizational policies designed to encourage work-life balance. Some employees believe that all work and no play is the only certain path to the corner office on the executive floor. While this isn't true, it is true that commitment, dedication, and hard work are essential to leadership success. It is equally true that employees often model their own behaviour on the example set by their leaders. One of the ways in which organisations can change their view is when an employee takes personal leave for any valid reason it should not negatively affect that employee's career advancement in any way. The rules must be applied fairly to everyone.

Berry (2005) reported that the construction firm ISG Interior Exterior was running a series of on-site pilot schemes to try and improve the work-life balance of its employees, as managers are responding to staff concerns over the construction industry's long-hours culture and pressurised work environment, which has made it difficult to balance personal and working lives. The author further indicates that there is a very strong business case for this, and that it is vital for commercial success in a very competitive market, as the construction industry has the highest suicide rate of any industry and also loses many people due to injury and burnout. Berry indicated that such schemes would help retention rates and attract new people. In areas such as work-life balance and flexible working, the United Kingdom has some of the most generous provisions in Europe. In the UK, maternity leave extends to six months, compared to the 14-week EU requirement. The UK also offers paternity leave where other countries, including Austria, Germany and Ireland have none (Millar, 2005).

2.5.10 PERFORMANCE MANAGEMENT

According to Dodd (2005), performance measurement and performance management as a business process and communication around total rewards are the crucial underpinnings of an effective compensation system that differentiates and truly rewards performance.

In the past most reward and recognition were vague, often given in response to a manager's perception of when an employee performed exceptionally well. There were usually no set standards by which exceptional performance could be measured, and it could have meant anything from having a good attitude, assisting another department, or being consistently punctual. In current organisational settings this is no longer the case, as organisations understand the great gains to be had by linking rewards and recognition to a business strategy. Performance management is the process that ensures that specific goals and outcomes are established, that employees understand their roles in supporting the organisational goals; that they understand what they must do for the reward, and why the reward is being offered in the first place (Flynn, 1998).

Nel et al. (2001) concurs with this theory and argued that a motivated person is aware of a specific goal that must be attained and would direct their effort at attaining that goal. Traditionally, individual performance in organisations has centred on the evaluation of performance and the allocation of rewards. Organisations are starting to acknowledge that planning and enabling individual performance have a critical effect on organisational performance.

Strategic success for the organisation lies in focussing attention at all levels on key business imperatives, which can be achieved through effective performance management. Gofton (1998) suggest three major purposes for performance management:

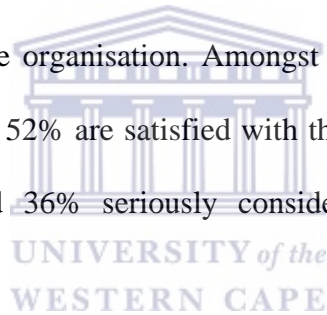
- it is a process for strategy implementation;
- it is a vehicle for culture change and
- it provides input to other human resources systems, such as development, remuneration and compensation, which includes reward and recognition programmes.

Flynn (1998) posits the view that companies must measure the performance that is expected from employees. The author argues that if a task can be measured, people will do it, and that if the task is measured and the individual gets paid or rewarded for it, that they will perform at much higher performance levels. However, the author further states that if what is measured matches up with corporate goals and strategies, the organisation will be successful. In the sum total, this is the alignment that organisations should strive to achieve.

Wilson (1994) states that the performance management process is one of the primary elements of the total reward system. It is the process that impacts performance between pay-checks and provides the basis on which individual results are measured. It is the bonding agent in programmes that direct rewards to true performance. The scientific management philosophy strongly stresses the potential usefulness of pay as a motivator as in many piece rate, bonus, profit sharing and other incentive plans.

There is abundant evidence to support the view that when pay is tied to performance, motivation and performance are increased. Motivation theory argues that when important rewards are tied to performance, it is possible to have both high performance and satisfaction. The overall goal of a performance-based compensation programme is to develop a productive, efficient, effective organisation that enhances employee motivation (Flanner, Hofrichter & Platten, 1996).

There appears to be a close relationship between employees' overall satisfaction with their jobs and their organisation and their intention to stay or leave. Research has shown that for employees whose performance is rewarded when they go "above and beyond", 90% are satisfied with their job, 88% are satisfied with the organisation and just 12% consider leaving the organisation. Amongst employees who say that their performance is not rewarded, 52% are satisfied with their jobs and 47% are satisfied with their organisation, and 36% seriously consider leaving (Compensation & Benefits Report, 2003).



2.5.10.1 ALIGNMENT OF PERFORMANCE GOALS TO ORGANISATIONAL STRATEGY

Lawler (1990) succinctly argues that in order for an organisation to motivate performance, it has to be able to identify and measure the performance that it wants to motivate and reward. The key issue is finding the best way to measure the performance of individuals and aligning these measurements with the strategic objectives of the organisation.

To be motivating, these measures must be seen to be credible and susceptible to the influence of those individuals whose performance is being measured and whose pay or reward is being determined. The author states that the “influenceability” of a measure is often referred to as the line of sight or line of influence. Both terms capture the idea of individual ability to affect their performance measures through behaviour. Therefore, strategy should drive decisions about the kinds of performance to reward and about how to measure performance (Lawler, 1990).

Therefore, compensation plans that are partially tied to performance are another way in which companies can recognise and motivate employees. Employees must be able to see a direct connection between their bonuses and their accomplishments, and they must believe that the standards by which they are measured are fair. The key is to set goals that can be quantified and measured objectively. It is believed that tying bonuses to specific goals and changing bonus programmes regularly is a way to make reward programmes more effective (Howard, 1997).

According to Flynn (1998), the primary focus of reward and recognition programmes is how organisations define their reward schemes and communicate this in a manner that employees clearly understand the link between reward and performance. Another important issue raised is that organisations should periodically gauge if employee’s performance is still in line with the company goals and rewards. For this reason, the best reward and recognition programmes are linked to goals that are in turn linked to company vision and strategy.

Communication is a key aspect in the performance management process, from clarifying the rewards system, to how the company should communicate it and most important how employees see the link between performance goals and rewards. The aspects of job performance that have an impact on success, that differentiate between successful and unsuccessful performers, and are at least partially within the control of the person being rated should be identified as performance measures. These performance measures are also the factors that establish the reason why an individual has received the reward or recognition. The performance management process determines that managers monitor performance and provide ongoing feedback, both positive and negative (Schneier, Beatty & Baird, 1987).

According to Schneier et al. (1987), this process encourages managers to break away from their desks, observing performance, comparing it to standards or expectations, and intervening in the ongoing process using behaviour-based language to reward, recognise or improve performance. Problem-solving, coaching, counselling, developing, and removing obstacles to success, rewarding and recognising may all be required during the performance management process.

2.5.11 PREVIOUS RESEARCH

Extensive research has been conducted on the factors that impact motivation and satisfaction and therefore job performance. Wyatt's 2004 Survey of Canadian Strategic Rewards and Pay Practices found that employers are seeking to adopt reward strategies that provide a competitive advantage by attracting top talent and engaging employees in a way that drives business results.

The survey found that 77% of organisations have either adopted a total rewards strategy or plan to do so. While employers seem satisfied with their performance and reward efforts, the Watson Wyatt Work Canada 2004/2005 study shows that only 24% of employees believe that excellent performance is rewarded at their company (Canadian employers, n.d.).

According to Mason (2001), recognition in various forms is a powerful retention strategy and that it does not have to be expensive. A study conducted by the US Department of Labour found that 46% of people leave their jobs because they feel unappreciated.

A landmark federal Work-Life Conflict Study involving 31500 working Canadians found that “frustration and working conditions are the main reasons cited by those thinking of leaving their jobs” (Informal Recognition, n.d.). Approximately 60% intended to leave because of working conditions, 55% cited lack of recognition and appreciation, and 40% said that they wanted more time for family and personal activities. In the United States, a similar study found that 40% of employees believed that they were offered meaningful incentives; 81% indicated that they did not receive any reward for a productivity increase; and 89% cited that their organisations would perform better if there were incentives for quality and productivity (Informal Recognition, n.d.).

A survey by the Professional Secretaries International revealed that as many as 30% of professional secretaries would prefer a simple letter of appreciation from their managers, but that only 7% reported ever receiving such a letter.

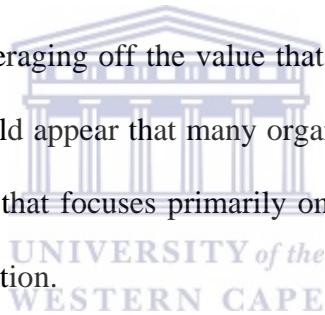
According to “People, Performance and Pay” study, by the American Productivity Centre, it generally takes 5% to 8% of an employee’s salary to change behaviour if the reward is cash, but only 4% of the employee’s salary if the reward is non-cash. Thus the fewer dollars are money well spent. Motivation is more likely to occur when a reward is personalised and heartfelt (Stephenson, 1995).

Through its 2002 “People at Work Survey”, Mercer concluded that 48% respondents believed that they were paid fairly, 28% were motivated by their organisations incentive compensation plan, only 29% said that when they do a good job, their performance get rewarded. In the same study they found that among employees who say their performance is rewarded when they do a good job, 90% are satisfied with their jobs; 88% are satisfied with their organisations and 12% were seriously considering leaving (Compensation & Benefits Report, 2003).

Research conducted with managers between September 1999 to June 2000, revealed that 90.5% felt that recognising employees helps them to better motivate their employees; 84.4% indicated that by providing non-monetary recognition to employees when they perform well helps to increase their performance; 84.4% cited that recognising employees supplies them with practical feedback; 80.3% felt that recognising employees for good work makes it easier to get the work done; 77.7% agreed that recognising employees assists them to become more productive; and that 69.3% indicated that providing non-monetary recognition helps the manager to achieve their personal goals (Wiscombe, 2002).

2.6 CONCLUSION

It is evident that a good reward and recognition system can contribute to people's satisfaction and their willingness and desire to learn and improve their skills and can lead to greater retention. The types of rewards and recognition that people receive are a major contributing factor to their level of satisfaction. The more highly rewarded and recognised people are, the more satisfied they tend to be with their job and with their life. This implies that satisfied employees are less likely to quit, change jobs, join unions, or be absent. In summary, organisations are better off when they provide people with a reward level that leads them to feel at least moderately satisfied (Lawler, 2003). Consistent in the literature is that, albeit a well-researched area, many organisations are still not leveraging off the value that a well-structured total reward programme could add. It would appear that many organisations continue to make the mistake to have programmes that focuses primarily on reward, rather than a healthy balance of reward and recognition.



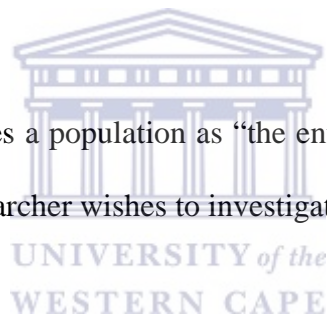
CHAPTER 3

RESEARCH METHODOLOGY

This chapter describes the research design utilised. Specifically, the chapter describes the sample of the study by reflecting on the biographical data of the respondents, the measuring instrument used and issues pertaining to its validity and reliability, the procedure followed to gather the data, the hypotheses and the statistical techniques used to analyse the data.

3.1 POPULATION AND SAMPLE

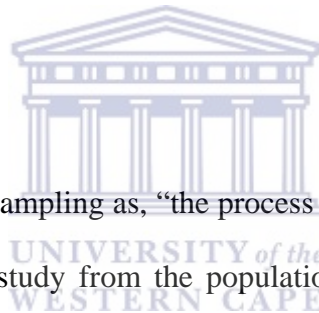
Sekaran (2001, p. 225) defines a population as “the entire group of people, events or things of interest that the researcher wishes to investigate.”



The population for the study was obtained from a large life insurance organisation in the Western Cape. The study was contained to the Operations business unit, which is the office support staff to the largely sales driven teams that sell life insurance products or solutions. The Operations unit is the largest business unit, but also one of the units that do not have incentivised reward programmes. The outputs of this unit are significantly important as a support function to the organisation. Its key functions include processing of new policies and claims, dealing with client queries and complaints, improving information technology and technology architecture that would ensure system efficiency and effectiveness. These functions often have to be performed under high levels of pressure and against deadlines.

The unit population consisted of approximately 1373 employees who are predominantly situated in the Western Cape province.

To access staff to participate in the study, the researcher relied on the assistance and cooperation of the human resources managers. The sample used in this study was selected from employees on post grade nine to fifteen in the business unit, which comprises mostly specialist or professional and management job categories. The decision to focus on post grades nine and above was based on the motivation of the human resource managers who observed that this group was usually more responsive to completing questionnaires and that it would result in the least amount of disruption, which was an important factor to take into account, given the pressures of the environment.



Leary (2004, p. 118) defines sampling as, “the process by which a researcher selects a sample of participants for a study from the population of interest”. A total of 450 questionnaires were sent electronically to respondents and a total of 184 employees completed the questionnaire. According to Sekaran (2001), a response rate of thirty percent is acceptable for most studies. The response rate for this study was forty one percent (41%). A convenience sample was used, which according to Leary (2004) refers to a sample of participants that are readily available. Such samples, he postulates, are used because they are easy to obtain and not representative of people in general. Therefore the finding of studies, such as the present one which utilises convenience sampling, is low in generalisability.

3.2 SAMPLE CHARACTERISTICS

The biographical information of the 184 respondents is represented in graphical format.

Figure 3.1 represents the subjects' responses with regard to their gender

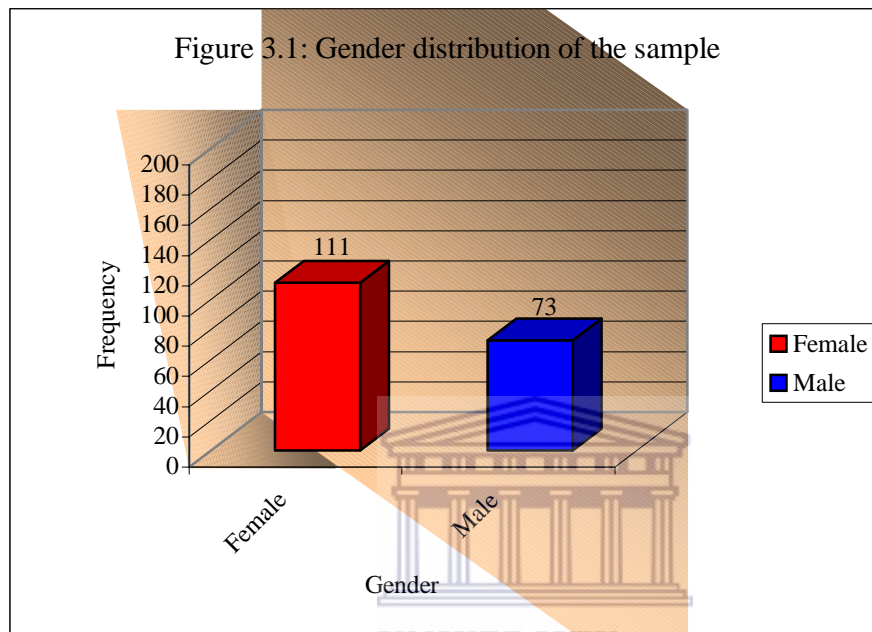
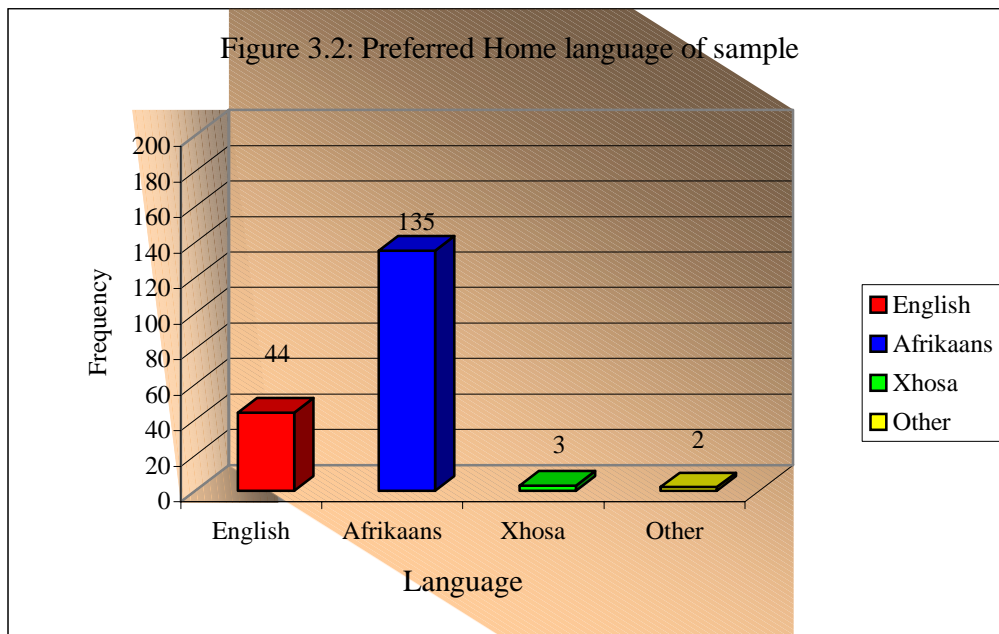


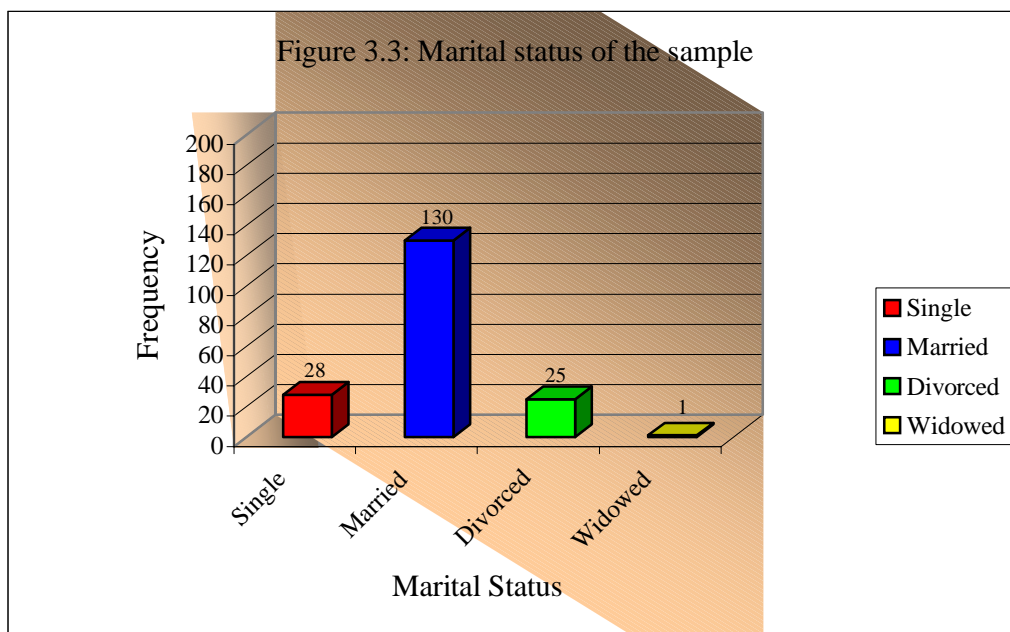
Figure 3.1 indicates the gender distribution of the sample of respondents from the organisation at which the research was conducted. As can be seen from the figure, the majority of the sample (n = 111) or 60% was female, while the remaining 40% (n = 73) comprised of male respondents.

Figure 3.2 provides a graphical representation of the preferred home language of the sample



In terms of figure 3.2, it can be seen that the majority of the respondents' preferred home language (n = 135) or 73% was Afrikaans. English respondents (n = 44) comprised 24% of the sample, while Xhosa (n = 3) and other languages (n = 2) constituted 3% of the respondents' preferred home language.

Figure 3.3 provides a graphical representation of the marital status of the sample.



As can be seen in Figure 3.3, the majority of the sample ($n = 130$) or 71% was married, while 15 % ($n = 28$) was single, approximately 14% ($n = 25$) was divorced & less than 1% of the sample ($n = 1$) was widowed.

Figure 3.4 presents the subjects' responses with regard to their ages

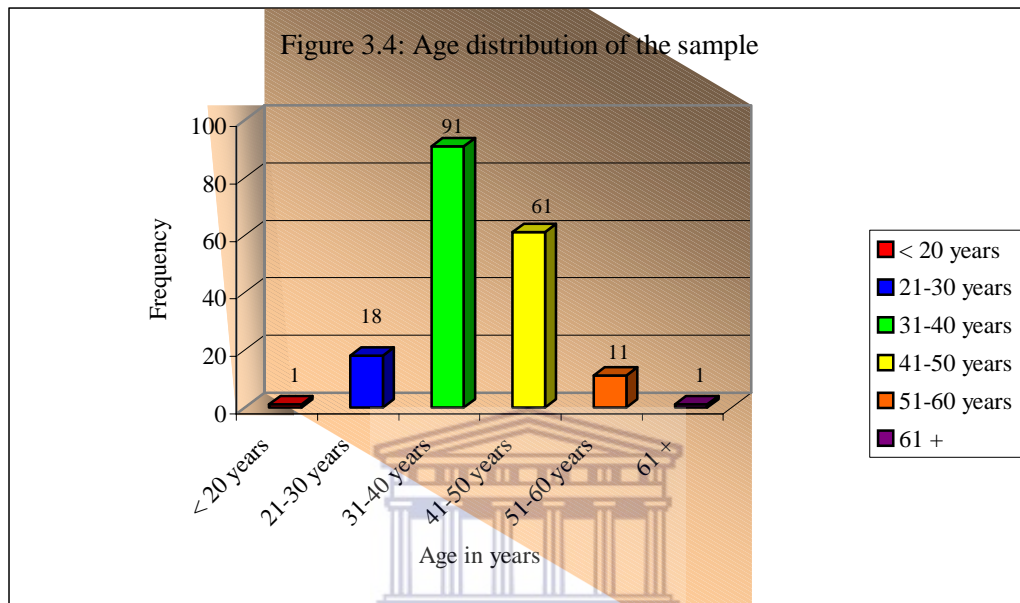


Figure 3.4 shows that the majority of respondents in the sample, (49%, $n = 91$), are between the ages of 31 and 40 years. This category is followed by the age group 41 – 50, into which 33% ($n = 61$) of the respondents' fall, whilst 10% ($n = 18$) are between the ages of 21 and 30 years. Only one respondent (1%) was under 20 years and another one respondent (1%) was over 60 years of age. Some age categories are under-represented, reflecting either population characteristics, or alternatively can be ascribed to the sampling method utilised. One respondent did not indicate his/her age.

Figure 3.5 provides a graphical representation of the distribution of the sample based on race

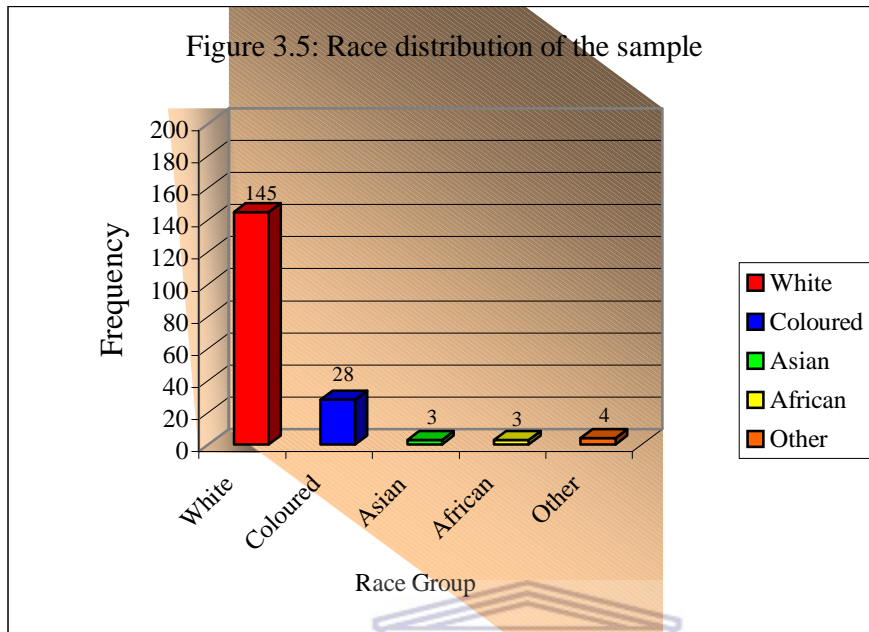


Figure 3.5 contains the racial composition of the respondents at the organisation where the research was conducted. From the frequency distribution in the graph it can be seen that Whites ($n = 145$) or 79% represented the largest number of respondents, followed by Coloured respondents who comprised 15% of the sample. The least represented groups are the Asian group ($n = 3$) or 2% of the sample, as well as African respondents who comprised 2% of the sample. One respondent did not indicate his/her race.

Figure 3.6 represents the respondents' job classification.

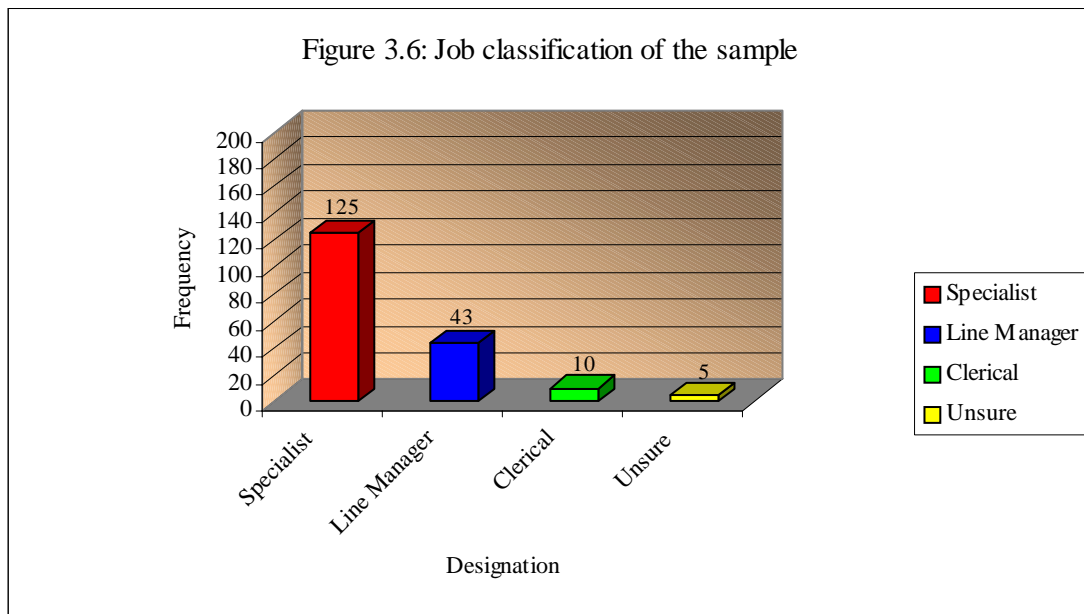
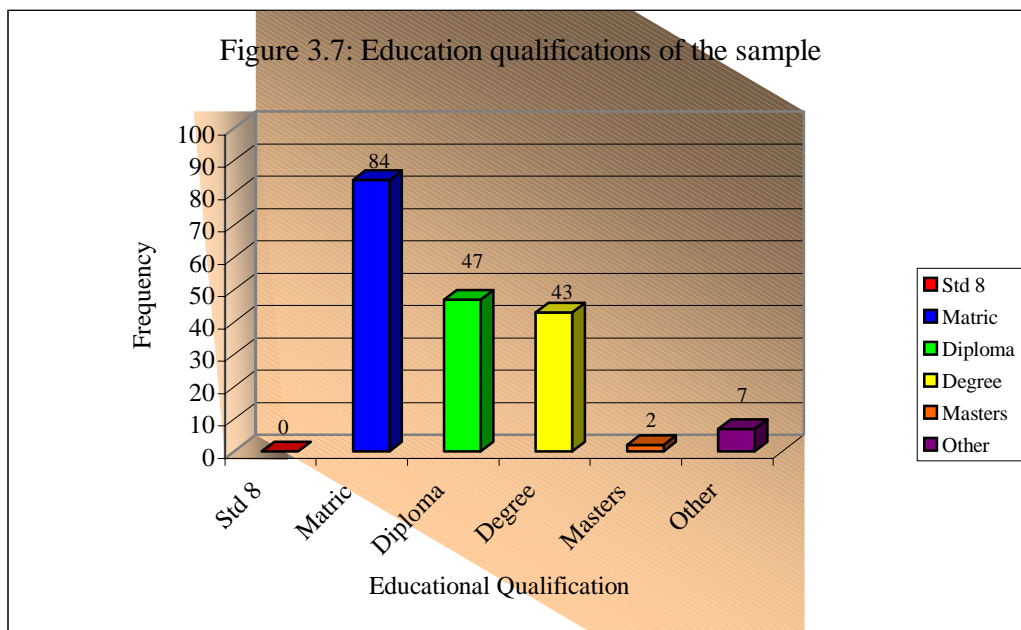


Figure 3.6 indicates that the majority of respondents ($n = 125$) or 68% of the sample occupied the position of specialist, while Line managers comprised 23% ($n = 43$) of the sample. Clerical and administrative personnel constituted 5% of the sample ($n = 10$), while 3% ($n = 5$) were unsure of their job classification. One respondent did not indicate his/her job classification.

Figure 3.7 provides a graphical representation of the distribution of the sample based on their educational qualifications



In terms of Figure 3.7, it can be seen that the majority of respondents ($n = 84$) or 46% of the sample has completed matric as their highest educational qualification. This is followed by respondents with a diploma ($n = 47$) or 26% and those with a degree ($n = 43$) or 23%. Those with other qualifications comprise 4% ($n = 7$) of the sample and those with Masters degrees consist of 2 respondents constituting 1%. One respondent did not indicate his/her educational qualification.

Figure 3.8 presents the distribution of the sample with regard to job grades

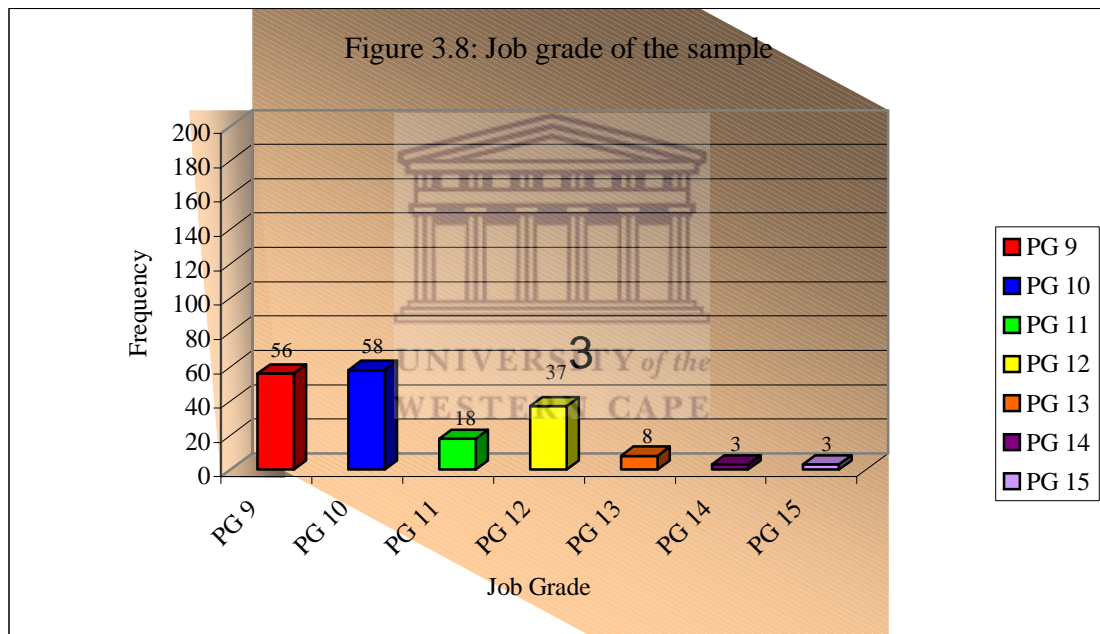


Figure 3.8 indicates that 32% ($n = 58$) of the sample are employed in PG 10 within the organisation, 30% ($n = 56$) are in PG 9 positions, whilst 20% ($n = 37$) of the respondents indicated that they occupy positions at PG 12. Only 10% ($n = 18$) fell into PG 11, 4% ($n = 8$) indicated that they occupied PG 13 positions, while only 2% occupied positions in PG 14 and PG 15, respectively. One respondent did not indicate his/her job grade.

Figure 3.9 presents the respondents' years of service in the insurance organisation

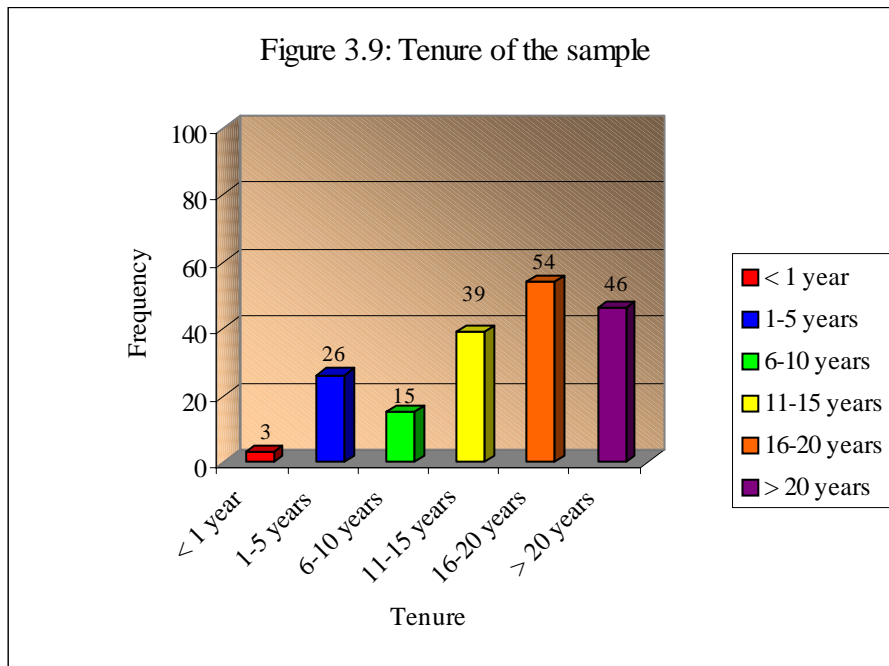


Figure 3.9 indicates that the majority of the respondents, 29% (n = 54), have worked for the organisation for 16 – 20 years, while a further 25% (n = 46) have worked for the organisation for 21 years and more. Twenty-one percent (21%, n = 39) of the respondents have worked for the organisation between 11 and 15 years, 14% (n = 26) have worked for the organisation between 1 and 5 years, 8% (n = 15) have worked for the organisation between 6 and 10 years, and 2% (n = 3) have worked for the organisation for less than a year. One respondent did not indicate his/her tenure.

3.3 DATA GATHERING INSTRUMENT

For the purpose of this study a quantitative methodology was followed and a questionnaire was used as the measuring instrument. According to Leary (2004), the major advantages of questionnaires are that they can be administered to groups of people simultaneously, and they are less costly and less time-consuming than other measuring instruments. The data gathering techniques used included a biographical questionnaire and the Work Satisfaction and Motivation Questionnaire as set out by **De Beer (1987)**.

3.3.1 BIOGRAPHICAL QUESTIONNAIRE

The biographical questionnaire was a self-developed questionnaire that incorporated the following personal information of the respondents, gender, home language, marital status, age, race, job classification, education, qualifications, job grade and tenure. Refer to Appendix 2.

3.3.2 WORK SATISFACTION AND MOTIVATION QUESTIONNAIRE

The questionnaire as set out by De Beer (1987) incorporates the sixteen factors of Herzberg's two-factor theory. The questionnaire consisted of nine dimensions that impact employee satisfaction and motivation. Refer to Appendix 3.

3.3.2.1 THE NINE DIMENSIONS OF THE QUESTIONNAIRE

According to De Beer (1987) the nine dimensions are as follows:

1. **Work content** probed the respondents' feelings about the type of work they do.
2. **Payment** probed respondents' satisfaction with their salaries.
3. **Promotion** probed for the opportunity that the organisation offers for promotion.
4. **Recognition** probed whether the respondent was receiving the recognition and feedback for the jobs they perform.
5. **Working conditions** were probed as the fifth factor and looked at opportunity to mix with colleagues and interpersonal relations.
6. **Benefits** looked at whether the benefits such as pension, medical schemes and leave were satisfactory.
7. **Personal** probed the respondents' feelings towards their job.
8. **Leadership or supervision** probed the level of satisfaction with the manager.
9. **General** probed if the respondents' had considered alternative employment, and hence their level of satisfaction with the organisation.

3.3.2.2 QUESTIONNAIRE STRUCTURE

Each dimension had a number of possible responses from which the respondent could select the one which best suited their feeling or attitude at that given time.

The selected responses were indicated on a three-point scale:

True = 1

Not sure = 2

Untrue = 3

The respondents were requested to mark their chosen responses with an X (De Beer, 1987).

3.3.2.3 RELIABILITY AND VALIDITY OF THE QUESTIONNAIRE

“Reliability refers to the consistency or dependability of a measuring instrument.

Validity, on the other hand, refers to the extent to which a measurement procedure actually measures what it is intended to measure rather than measuring something else, or nothing at all” (Leary, 2004, p. 69).

De Beer (1987) conducted an item analysis to evaluate the inter-item consistency of the Work Motivation and Satisfaction Questionnaire. This provides an indication of the consistency of responses to all the items delineated in a measuring instrument.

The Cronbach-Alpha reliability coefficients for the subsections of the Work Satisfaction and Motivation are as follows: Work content ($r = 0.78$), payment ($r = 0.86$), promotion ($r = 0.84$), recognition ($r = 0.90$), working conditions ($r = 0.77$), benefits ($r = 0.84$), my leader/supervisor ($r = 0.72$), general ($r = 0.75$).

Prinsloo (1996) determined the internal consistency of the Work Motivation and Satisfaction Questionnaire by computing the coefficient alphas, conducting an item analysis and factor analysis. Prinsloo (1996) reported a coefficient alpha that is consistently high, ranging from .82 to .93, with a median of .90 for the instrument.

The results of the item analysis also indicated that each item had a positive correlation with the total score for the Work Motivation and Satisfaction Questionnaire, with the average correlations ranging from a low of .42 to .74, with a median correlation of .64. This suggests that the 43 items of the Work Motivation and Satisfaction Questionnaire are relatively homogenous with respect to the underlying attitude construct they measure (Prinsloo, 1996). Similarly, the results of the factor analysis corroborate findings indicating that the items are measuring a single common underlying construct (Prinsloo, 1996).

According to Prinsloo (1996), the reliability of this instrument is determined with the aid of the SPSSX-programme in conjunction with Cronbach coefficient-alpha. The calculated coefficient-alpha is 0.82, which suggests a strong positive item-homogeneity in this measuring instrument. This signifies as an indication of test reliability.

3.4 PROCEDURE FOLLOWED TO GATHER DATA

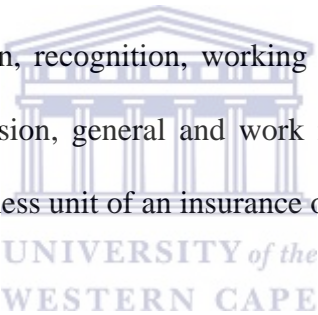
This section describes how the researcher gathered the relevant data for this study. Although known to the population, the researcher relied on the human resources manager to obtain access to the sample. The human resources manager has direct contact with the population and therefore had more influence in terms of creating a sense of urgency to complete the questionnaires. As the sample operates in an electronic-driven environment it was decided to send the questionnaires electronically.

The human resources department utilises an electronic survey tool, referred to as Perception Question Mark (PQM), which the researcher used as the medium to distribute the questionnaires. The individual responsible for the PQM tool assisted with setting up the questionnaire in a format that would ensure that it was user-friendly and easy to navigate. The cover letter was incorporated into the electronic questionnaire as the opening page. After setting up the questionnaire, the link was sent to the human resources manager who then sent the link to all employees in their respective units from post grade nine to fifteen.

Respondents were given five days within which they could complete the questionnaire. The cover letter (see Appendix 1) highlighted the purpose of the study, anonymity of the respondents and confidentiality. The letter also emphasised the fact that the study would benefit the employees of the business unit.

The key benefit of the electronic survey was that the researcher could track on a daily basis the number of people that responded. After five days had lapsed, not many questionnaires were completed and the researcher e-mailed potential respondents encouraging them to complete the questionnaire. The human resources manager sent the email and a further extension of five days was given. Within three days of sending the mail a total of 184 responses were received. After the ten-day period had lapsed, the survey was closed and respondents were thanked for their participation.

3.5 STATEMENT OF THE HYPOTHESES

- 
- (i) There is no statistically significant relationship between work content, payment, promotion, recognition, working conditions, benefits, personal, leadership/ supervision, general and work motivation and satisfaction in the Operation business unit of an insurance organisation.
- (ii) The nine independent variables (work content, payment, promotion, recognition, working conditions, benefits, personal, leadership/ supervision and general) will not significantly explain the variance in work motivation and satisfaction.
- (iii) There are no statistically significant differences in rewards and recognition based on the biographical variables (gender, home language, marital status, age, race, job classification, educational, qualifications, job grade and tenure).

3.6 STATISTICAL TECHNIQUES

3.6.1 DATA ANALYSIS

The statistical programme used for the analyses and presentation of data in this research is the Statistical Package for the Social Sciences (SPSS) version 12. The descriptive statistics utilized are based on frequency tables and graphical illustrations to provide information on key demographic variables in this study. This is followed with presentation of the inferential statistics based on examination of each hypothesis formulated for the research. The upper level of statistical significance for null hypothesis testing was set at 5%. All statistical test results were computed at the 2-tailed level of significance in accordance with the non-directional hypotheses presented (Sekaran, 2001).



3.6.2 STATISTICAL ANALYSES

According to Leary (2004, p. 37), “statistical analyses are used to describe an account for the observed variability in the behavioural data.” This involves the process of analysing the data that has been collected. Thus the purpose of statistics is to summarise and answer questions about the behavioural variability that was obtained in the research. Statistical analyses involve both descriptive and inferential statistics.

3.6.2.1 DESCRIPTIVE STATISTICS

Descriptive statistics are used to describe and summarise the behaviour of the respondents in a study. They refer to the ways in which a large number of scores or observations are reduced to interpretable numbers such as averages and percentages.

The descriptive statistics utilized in this study are based on frequency tables and graphical illustrations to provide information on key demographic variables, as well as the means and standard deviations for the responses on the Work Motivation and Satisfaction Questionnaire. The mean is a measure of central tendency, and provides an arithmetic average for the distribution of scores. The standard deviation, on the other hand, is a measure of variability which is calculated as the square root of the variance (Leary, 2004).

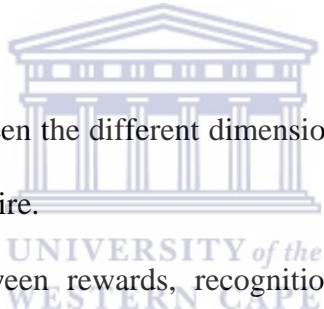


3.6.2.2 INFERENCE STATISTICS

Inferential statistics are used to draw conclusions about the reliability and generalisability of the findings. According to Leary (2004, p. 38), inferential statistics are used to assist in answering questions such “How likely is it that my findings are due to random extraneous factors rather than to the variables of central interest in the study? How representative are the findings of the larger population from which the sample was taken?” In order to test the research hypotheses, the inferential tests used include the Pearson Product-Moment Correlation Coefficient, Multiple Regression Analysis and Analysis of Variance (ANOVA).

3.6.2.2.1 THE PEARSON PRODUCT-MOMENT CORRELATION COEFFICIENT

The Pearson Product-Moment Correlation Coefficient is a statistic that indicates the degree to which two variables are related to one another. The sign of a correlation coefficient (+ or -) indicates the direction of the relationship between -1.00 and $+1.00$. Variables may be positively or negatively correlated. A positive correlation indicates a direct, positive relationship between two variables. A negative correlation, on the other hand, indicates an inverse, negative relationship between two variables (Leary, 2004). For the purposes of this study, the Pearson Product-Moment Correlation Coefficient was used to determine:

- 
- The relationship between the different dimensions of the work motivation and satisfaction questionnaire.
 - The relationship between rewards, recognition and work satisfaction and motivation.

3.6.2.2.2 MULTIPLE REGRESSION ANALYSIS

Multiple Regression Analysis is identified through three distinct types of multiple regression procedures, namely, standard, stepwise, and hierarchical multiple regression. The three types of analyses differ in the manner in which the predictor variables may be entered, if all at once, it is standard; if based on the strength of their ability to predict the criterion variable, it is stepwise; or if in an order predetermined by the researcher then it would be considered hierarchical (Leary, 2004).

For the purposes of this study, Stepwise regression was used to ascertain the extent to which all the dimensions of work satisfaction and motivation explain the variance in work satisfaction and motivation.

3.6.2.2.3 ANALYSIS OF VARIANCE (ANOVA)

Analysis of Variance (ANOVA) is a statistical procedure used to analyse data from designs that involve more than two conditions. According to Leary (2004), ANOVA analyses the differences between all condition means in an experiment simultaneously. For the purposes of this study, ANOVA was used to determine whether there are differences in work motivation and satisfaction based on the biographical characteristics of the sample.



3.6.2.2.4 SCHEFFE'S MULTIPLE COMPARISON PROCEDURE

Hinkle, Wiersna and Jurs (1982) indicated that when a statistically significant F ratio is obtained in an ANOVA, and the null hypotheses is rejected, it can be concluded that at least one of the condition means differs from the others. The Scheffe multiple comparison procedure is necessary to determine which pairs of means differ. The procedure involves computing an F value for each combination of two means.

The chapter provided a summary of the sample, the measuring instrument used, the procedure followed to gather the data, the hypotheses as well as the statistical techniques used to analyse the data. The following chapter will detail the findings of the study, by reporting on the results of the empirical analysis.

CHAPTER FOUR

PRESENTATION OF RESULTS

4.1 INTRODUCTION

In this section the results of the empirical analysis are reported and presented. The presentation proceeds with an analysis of the descriptive statistics on the variables under consideration. The statistical programme used for the analyses and presentation of data in this research is the Statistical Package for the Social Sciences (SPSS) version 12. To facilitate ease in conducting the empirical analyses, the results of the descriptive analyses are presented first, followed by the inferential statistical analysis.

The upper level of statistical significance for null hypothesis testing was set at 5%. All statistical test results were computed at the 2-tailed level of significance in accordance with the non-directional hypotheses presented (Sekaran, 2001).

4.2 RESULTS OF THE WORK MOTIVATION AND SATISFACTION QUESTIONNAIRE

Descriptive statistics in the form of arithmetic means and standard deviations for the respondents were computed for the various dimensions assessed by the Work Motivation and Satisfaction Questionnaire. The means and standard deviations of the Work Motivation and Satisfaction Questionnaire are presented in Table 4.1.

Table 4.1 Descriptive statistics for the dimensions of work motivation and satisfaction

Variable	Mean	Standard Deviation
Work Content	1.53	.69
Payment	2.57	.65
Promotion	2.10	.62
Recognition	2.88	.62
Working Conditions	1.34	.72
Benefits	1.86	.63
Personal	1.23	.64
Leader/Supervisor	1.42	.69
General	1.32	.54

* Where high variables correspond to low motivation

With respect to the dimensions of work motivation assessed by the work motivation and satisfaction questionnaire, Table 4.1 indicates that the means for the work content, payment, promotion, recognition, working conditions, benefits, personal, leader/supervisor and general ranged from a low of 1.32 to a high of 2.88.

It therefore appears that staff in the sample are relatively motivated, however, the mean values for payment, promotion, recognition and benefits were the lowest. These mean values indicate the areas that employees were most likely to be demotivated and dissatisfied.

Table 4.1 thus shows that staff in the sample is most likely to be motivated due to their working conditions, personal and general dimensions. They are least motivated by the payment they receive and recognition as determined by the Work Motivation and Satisfaction Questionnaire.

4.2.1 INFERENCE STATISTICS

In this section the results of the inferential statistical techniques used in the study are presented. In order to test the research hypotheses, the Pearson Product Moment Correlation Coefficient was calculated as well as Multiple Regression and Analyses of Variance (ANOVA). Based on the results obtained from the research, conclusions are drawn with respect to each hypothesis generated for the research undertaken in the insurance organization at which the research was conducted.

4.2.1.1 CORRELATION

The Pearson's Product Moment Correlation Coefficient was computed for the purposes of determining the following relationships:

- The relationship between the different dimensions of the Work Motivation and Satisfaction Questionnaire.
- The relationship between rewards, recognition and work satisfaction and motivation.

In order to delineate the relationship between the various facets of the work environment on work motivation and satisfaction, the sub-dimensions of the Work Motivation and Satisfaction questionnaire were correlated and are presented in Table 4.2

Table 4.2: Dimension Correlations with work motivation and satisfaction

Variable	Work Motivation and Satisfaction	
	Pearson correlation	Significance (2-tailed)
Work Content	0.66**	0.000
Payment	0.86**	0.000
Promotion	0.74**	0.000
Recognition	0.92**	0.000
Working Conditions	0.61**	0.000
Benefits	0.65**	0.000
Personal	0.37 *	0.000
Leader/Supervisor	0.32 *	0.023
General	0.34 *	0.005

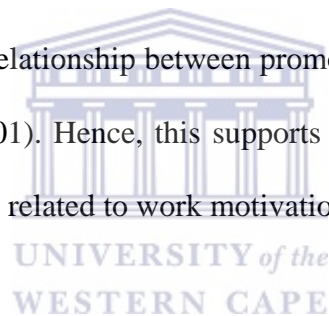
* Correlation is significant at the 0.05 level (2-tailed)

** Correlation is significant at the 0.01 level (2-tailed)

The results indicate that work content correlates significantly with work motivation and satisfaction ($r = 0.66$, $p < 0.01$). This supports the hypothesis that there is a significant relationship between work content and work motivation and satisfaction.

A significant correlation is shown to exist between payment and work motivation and satisfaction ($r = 0.86$, $p < 0.01$), supporting the hypothesis that there is a significant relationship between payment and work motivation and satisfaction.

There was also a significant relationship between promotion and work motivation and satisfaction ($r = 0.74$, $p < 0.01$). Hence, this supports the hypothesis that promotion opportunities are significantly related to work motivation and satisfaction.



A significant correlation also exists between recognition and work motivation and satisfaction ($r = 0.92$, $p < 0.01$), supporting that recognition is significant in explaining the variance in work motivation and satisfaction.

There was a significant relationship between working conditions and work motivation and satisfaction ($r = 0.61$, $p < 0.01$). Hence, the hypothesis that there is a relationship between working conditions and work motivation and satisfaction is supported.

There was a significant relationship between benefits and work motivation and satisfaction ($r = 0.65$, $p < 0.01$), supporting the hypothesis that benefits are significant in explaining work motivation and satisfaction.

A significant correlation was found to exist between the dimension of personal and work motivation and satisfaction ($r = 0.37$, $p < 0,05$). There was a significant relationship between leader/supervisor and work motivation and satisfaction ($r = 0.32$, $p < 0.05$) as well as between general and work motivation and satisfaction ($r = 0.34$, $p < 0.05$).

The results indicate that for the intercorrelation matrix exploring the relationship between the dimensions of the Work Satisfaction and Motivation Questionnaire, that all the coefficients were positive. The results depicted in Table 4.2 indicate that there is a significant statistical relationship between the dimensions of work motivation and satisfaction. Accordingly, the null hypothesis is rejected.

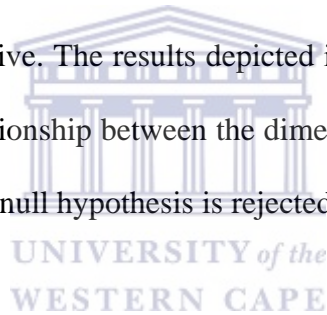


Table 4.3 The relationship between rewards, recognition and work motivation and satisfaction

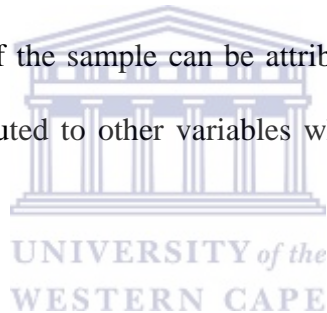
	Work satisfaction and Motivation
Rewards	0.86 **
Recognition	0.92 **

** Correlation is significant at the 0.01 level (2-tailed)

There is a statistically significant, direct and positive relationship between rewards and work satisfaction and motivation ($r = 0.86$, $p < 0.01$).

Hence, if rewards offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction. The coefficient of determination, ($R^2 = 0.74$), implies that 74% of the variation in work motivation and satisfaction of the sample can be attributed to rewards received, which implies that the remaining 26% can be explained by other factors not considered.

The results indicate that there is a statistically significant, direct and positive relationship between recognition and work satisfaction and motivation ($r = 0.92$, $p < 0.01$). This implies that if the recognition accorded to employees were to change, there would be a change in work motivation and satisfaction. The coefficient of determination, ($R^2 = 0.60$), implies that 60% of the variation in work motivation and satisfaction of the sample can be attributed to recognition, while the remaining 40% can be attributed to other variables which were not explored in the current research.



4.2.1.2 MULTIPLE REGRESSION ANALYSIS

On the basis of the results obtained indicating a direct positive relationship between the dimensions of work satisfaction and motivation, all the dimensions of the instrument were assessed using multiple regression analysis to ascertain the extent to which they explain the variance in work satisfaction and motivation.

Table 4.4 Stepwise Regression: Dependent variable (work motivation and satisfaction)

Multiple Regression	0.93942			
R squared (R²)	0.84276			
R squared (Adjusted R²)	0.71404			
Standard error	3.43232		F = 16.59	Sig. F = 0.00**
Variables in the equation	B	SE for B	T	P
Work Content	-2.9645	1.1857	2.36	0.03*
Payment	-1.5234	0.2863	5.32	0.00**
Promotion	-0.6828	0.2903	3.65	0.00**
Recognition	-2.6846	1.1857	2.48	0.00**
Working conditions	-1.2534	0.2863	1.34	0.00**
Benefits	-0.5856	0.2903	1.65	0.00**
Personal	-3.5535	0.1452	1.79	0.00**
Leader / supervisor	-2.2338	1.7683	1.43	0.00**
General	-2.1045	0.1564	1.33	0.00**

The results shown in Table 4.4 indicate a relatively high percentage of the variation in work motivation and satisfaction can be explained by the variables entered in the equation (R - squared = 84.27%; R- squared (adjusted) = 71.4%). Thus 71% of the variance in work motivation and satisfaction can be explained by work content, payment, promotion, recognition, working conditions, benefits, personal, leader/supervisor and general dimensions.

The F-ratio of 16.59 ($p < 0.01$) indicates the regression of work motivation and satisfaction on the dimensions assessed, expressed through the adjusted squared multiple (R - squared (adj.) = 71.40%) is statistically significant. Hence the null hypothesis is rejected. These variables account for 71% of the variance in work motivation and satisfaction. This finding suggests that other unexplored variables could account for the other variance in work motivation and satisfaction.

4.2.1.3 ANALYSIS OF VARIANCE (ANOVA)

An investigation was undertaken to determine whether there are differences in work motivation and satisfaction based on the biographical characteristics of the sample.

Table 4.5 ANOVA: Differences in rewards and recognition and work motivation and satisfaction based on gender

Gender	Mean	S	N	F	p	Scheffe's Test
Male	1.56	.63	73	3.14	.000**	Females received lower rewards and were less motivated.
Female	1.78	.49	111			

Where higher scores are indicative of lower rewards and recognition, work satisfaction and motivation.

** $p < 0.01$

There is a significant mean difference in the overall levels of work motivation and satisfaction experienced by male and female employees ($p < 0.00$).

Females reported lower levels of work satisfaction and motivation (Mean = 1.78, $s = .49$) than males (Mean = 1.56, $s = .63$) on the basis of rewards and recognition received.

Table 4.6 ANOVA: Differences in rewards and recognition and work motivation and satisfaction based on home language

Home language	Mean	S	N	F	p	Scheffe's Test
English	1.69	.53	44	3.26	.000**	Xhosa speaking respondents differ significantly from the other groups
Afrikaans	1.48	.34	135			
Xhosa*	1.85	.56	3			
Other	1.78	.46	2			

Where higher scores are indicative of lower rewards and recognition, work satisfaction and motivation.

** $p < 0.01$

There is a significant mean difference in the rewards and recognition (work motivation and satisfaction levels) of employees based on their home language. Xhosa speaking employees evidenced the lowest levels of work motivation and satisfaction (Mean = 1.85, $s = .56$), followed by those indicating they spoke other languages (Mean = 1.78, $s = .46$). Afrikaans speaking respondents reported the highest levels of rewards and recognition and hence work motivation and satisfaction (Mean = 1.48, $s = .34$).

Table 4.7 ANOVA: Differences in rewards and recognition and work motivation and satisfaction based on marital status

Marital Status	Mean	S	N	F	P	Scheffe's Test
Single	1.87	.58	28	3.55	.000**	Those who are married differ significantly from those in the other groups
Married*	2.12	.20	130			
Divorced	1.76	.65	25			
Widowed	1.79	.59	1			

Where higher scores are indicative of lower rewards and recognition, work satisfaction and motivation.

** $p < 0.01$



There is a significant mean difference in the rewards and recognition (work motivation and satisfaction) levels of employees based on their marital status. Married employees reported the lowest rewards and recognition (work motivation and satisfaction), followed by single employees. Those who are divorced indicated the greatest satisfaction and motivation based on the rewards and recognition they receive. The results need to be interpreted with caution due to the fact that most respondents were married, with under-representation from the other categories of employees.

Table 4.8 ANOVA: Differences in rewards and recognition and work motivation and satisfaction based on age

Age	Mean	S	N	F	p	Scheffe's Test
< 30 years	1.71	.56	19	2.48	.000**	Respondents in the age category 41-50 years differed significantly from the other groups
31-40 years	1.69	.35	91			
41-50 years*	1.94	.92	61			
51 years +	1.63	.48	12			

Where higher scores are indicative of lower rewards and recognition, work satisfaction and motivation.

* $p < 0.01$



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There is a significant mean difference in the rewards and recognition (work motivation and satisfaction) levels of employees in the age group 41-50 years and employees in other age groups. Employees in the age group 41-50 years reported lower rewards and recognition (lower levels of work motivation and satisfaction) (Mean = 1.94, $s = .92$) than employees in the age groups up to 30 years (Mean = 1.71, $s = .56$), 31-40 years (Mean = 1.69, $s = .35$), and older than 50 years of age (Mean = 1.63, $s = .48$).

Table 4.9 ANOVA: Differences in rewards and recognition and work motivation and satisfaction based on race

Race	Mean	S	N	F	p	Scheffe's Test
African*	2.18*	.27	3	3.92	.000**	African respondents differed significantly from the other groups
Coloured	1.74	.43	28			
Asian	1.68	.32	3			
White	1.54	.45	145			

Where higher scores are indicative of lower rewards and recognition, work satisfaction and motivation.

* $p < 0.01$



There is a significant mean difference in the rewards and recognition (motivation and satisfaction) levels of employees based on their race. African employees reported the lowest levels of motivation and satisfaction (Mean = 2.18, $s = .27$) than White employees (Mean = 1.54, $s = .45$), Asian employees (Mean = 1.68, $s = .32$) and coloured employees (Mean = 1.74, $s = .43$). In interpreting the data though, cognisance needs to be taken of under-representation of employees from the groups: African, Asian and Coloured, making any generalisations tentative.

Table 4.10 ANOVA: Differences in rewards and recognition and work motivation and satisfaction based on job classification

Job Classification	Mean	S	N	F	P	Scheffe's Test
Specialist	1.73	.69	43	4.10	.000**	Clerical staff differ from the other groups.
Line manager	1.82	.67	50			
Clerical*	2.03*	.53	15			

Where higher scores are indicative of lower rewards and recognition, work satisfaction and motivation.

* $p < 0.01$



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There is a significant mean difference in the rewards and recognition (work motivation and satisfaction) levels of employees based on their job classification. Clerical grade employees reported the lowest rewards and recognition and hence the lowest work motivation and satisfaction (Mean = 2.03, $s = .53$), followed by line managers (Mean = 1.82, $s = .67$), while those in specialist positions reported the highest levels of rewards and recognition (work motivation and satisfaction) (Mean = 1.73, $s = .69$).

Table 4.11 ANOVA: Differences in rewards and recognition and work motivation and satisfaction based on educational qualifications

Educational level	Mean	S	N	F	P	Scheffe's Test
Matric*	2.1	.60	11	3.95	.000**	Respondents with educational levels up to matric differ significantly from the remaining groups
Diploma	1.67	.47	68			
Degree	1.73	.57	28			
Masters	1.67	.69	2			
Other	1.62	.34	-			

Where higher scores are indicative of lower rewards and recognition, work satisfaction and motivation.



* $p < 0.01$

There is a significant mean difference in the rewards and recognition (work motivation and satisfaction) experienced by employees with lower levels of education. In this instance, those with education levels up to matric indicated the least work motivation and satisfaction relative to the other education levels. Employees with the educational level of matric reported the lowest levels of work motivation and satisfaction (Mean = 2.1, $s = .60$) than employees with diplomas (1.67, $s = .47$), degrees (Mean = 1.73, $s = .57$), Masters degrees (Mean = 1.67, $s = .69$) and other qualifications (Mean 1.62, $s = .34$).

Table 4.12 ANOVA: Differences in rewards and recognition and work motivation and satisfaction based on job grade

Job Grade	Mean	S	N	F	P	Scheffe's Test
PG 9	2.01	.56	56	3.95	.000**	PG 11 respondents differ significantly from the other groups
PG 10	1.73	.37	58			
PG 11*	2.27	.59	18			
PG 12	1.74	.34	37			
PG 13	1.69	.48	8			
PG 14	1.68	.59	3			
PG 15	1.62	.36	3			

Where higher scores are indicative of lower rewards and recognition, work satisfaction and motivation.



* $p < 0.01$

There is a significant mean difference in the rewards and recognition (work motivation and satisfaction) experienced by employees based on their job grade. Employees in PG 11 reported the lowest levels of reward and recognition (work motivation and satisfaction) (Mean = 2.27, s = .59) than employees in the other job grades. Employees in PG 15 evidenced the highest work motivation and satisfaction relative to the rewards and recognition they received (Mean = 1.62, s = .36).

Table 4.13 ANOVA: Differences in rewards and recognition and work motivation and satisfaction based on tenure

Tenure	Mean	S	N	F	p	Scheffe's Test
< 1 year	1.79	.56	3	3.55	.000**	Those employed between 1 and 5 years differ significantly from those in the other groups
1-5 years*	2.12	.24	26			
6-10 years	1.76	.63	15			
11-15 years	1.69	.42	39			
16-20 years	1.68	.45	54			
> 20 years	1.72	.56	46			

Where higher scores are indicative of lower rewards and recognition, work satisfaction and motivation.



** p < 0.01

There is a significant mean difference in the rewards and recognition (work motivation and satisfaction) levels of employees with 1-5 years of experience (Mean = 2.12, s = .24) and those with fewer or more years' service. Those with 1–5 years' service reported the lowest rewards and recognition (work motivation and satisfaction) compared to the other groups. Those with 16-20 years' service in the organisation indicated the highest rewards and recognition (work satisfaction and motivation) compared to all the other categories of employees.

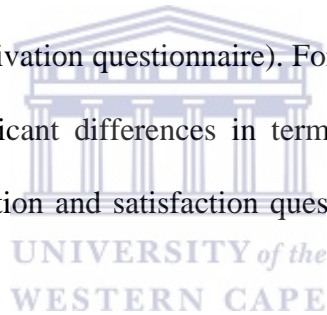
The Scheffe's Test reflected the following findings in terms of rewards and recognition levels based on the work motivation and satisfaction questionnaire and the biographical variables of the sample:

- a) Female employees indicated they were least motivated and satisfied by rewards and recognition.
- b) African respondents indicated lower levels of work motivation and satisfaction relative to the other race groups based on rewards and recognition.
- c) Respondents in the age category 41-50 years evidenced the lowest levels of work motivation and satisfaction in relation to their rewards and recognition levels.
- d) Respondents with educational levels up to matric were the least motivated and satisfied due to their rewards and recognition.
- e) Those employees who had been working for the organisation for between 1 and 5 years were the least motivated and satisfied on the basis of rewards and recognition.
- f) Xhosa speaking employees reported the lowest levels of work motivation and satisfaction based on rewards and recognition.
- g) Post grade 11 employees experienced lower rewards and recognition relative to the other groups.
- h) Married employees reported the lowest motivation and satisfaction based on rewards and recognition.
- i) Clerical grade employees indicated the lowest levels of work motivation and satisfaction based on rewards and recognition.

Hence, the null hypothesis show that there are no statistically significant differences in rewards and recognition (work motivation and satisfaction) of employees based on their biographical variables, is rejected.

4.3 CONCLUSION

This chapter has focused on the presentation of results achieved in this study. Pearson's product moment correlation, multiple regression analysis and analysis of variance were used to indicated relationships and differences in the dimensions of work motivation and satisfaction based on the sample used in the study and more specifically to indicate differences in rewards and recognition (as components within the work satisfaction and motivation questionnaire). For the purposes of this study the Scheffe Test reflected significant differences in terms of rewards and recognition levels based on work motivation and satisfaction questionnaire and the biographical variables of the sample.



In the following chapter, the data will be discussed and where available, existing literature is integrated with results emanating from the current study to draw comparisons.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

In this section the results described in Chapter 4 will be discussed in greater detail and where appropriate, existing literature will be integrated into the discussion. The limitations of the study and the implications for future research will be addressed. The chapter concludes with recommendations.

5.1 INTRODUCTION

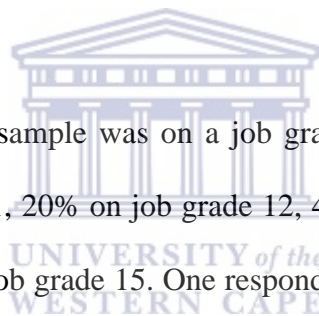
The purpose of the present study was to identify and investigate the factors linked to motivation of staff in an insurance organisation. The sample used in this study was selected from staff on post grade nine to fifteen in the Operations business unit, which comprises mostly specialist or professional and management job categories.

5.2 DESCRIPTIVE STATISTICS

Descriptive statistics provide information on the key demographic variables in the study and are presented below.

- The final sample consisted of 184 employees, of whom 40% (n = 73) were males and 60% (n = 111) were females.

- One percent 1% of the respondents were under 20 years; 10% were between 21 and 30 years; 49% ranged between 31 and 40 years; 33% between 41 and 50 years; 6% between 51 and 60 years and 1% were 60 years and older.
- Twenty four percent indicated English and 73% Afrikaans as the preferred language. Two percent indicated that their preferred language was respectively Sotho and Dutch.
- Fifteen percent were single, 71% married, 14% divorced and 0.5% widowed. Forty six percent of the sample had a matric qualification, 54% had a higher educational qualification (either diploma, degree, masters, or other qualification).
- Thirty percent of the sample was on a job grade 9, 32% on a job grade 10, 10% on a job grade 11, 20% on job grade 12, 4% on job grade 13, 2% on job grade 14, and 2% on job grade 15. One respondent did not indicate his/her job grade.
- Sixty-nine percent of the sample was in a specialist job classification, 23% in a line manager position, 5% in administration or clerical and 3% were unsure of their job classification. One respondent did not indicate his/her job classification.
- Two percent of the sample had less than one year service, 14% had between 1 to 5 years service, 8% between 6 and 10 years, 21% had between 11 and 15 years, 29% had 16 to 19 years service and 25% had longer than 21years of service. One respondent did not indicate his/her years of service.

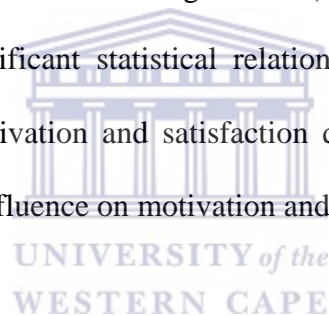


5.3 INFERENCE STATISTICS

5.3.1 DISCUSSION OF FINDINGS

5.3.1.1 General findings on all nine sub-dimensions of the Questionnaire

Table 4.2 in Chapter 4 indicates that there is a significant relationship between all nine of the sub-dimensions of the work motivation and satisfaction questionnaire; therefore the null hypothesis is rejected. The nine dimensions include, work content, payment, promotion, recognition, working conditions, benefits, personal, leadership and general (level of satisfaction with the organisation). Hence, the results in table 4.2 indicate that there is a significant statistical relationship between all of the nine dimensions of the work motivation and satisfaction questionnaire, and that all the dimensions have a positive influence on motivation and satisfaction.



These results are supported by the survey findings of Mason (2001) who conducted an employee retention survey in the Finance, Human Resources, Sales and Marketing, Operations and IT fields in over 50 companies. The survey found that what excites most people about their work is the opportunity to do challenging work, second was the opportunity to develop work-related skills (both correlates with work content), thirdly management behaviour (correlates with leadership/supervision), in fourth place a positive work environment (correlates with working conditions), followed by recognition in sixth place and pay, compensation and benefits were ranked seven.

Mason's (2001) survey confirms that there are a host of factors that contribute to employee motivation and satisfaction, but that some factors are more critical in their motivational influence than others. Table 4.1, indicates that although all nine dimensions have a positive impact, that staff in the sample were most motivated due to their working conditions, personal and general dimensions and that they are least motivated by the payment, promotion, recognition and benefits they receive.

Research findings by Mercer (2002) further corroborate this. Through its 2002 "People at Work Survey", Mercer concluded that only 48% of respondents believed that they were paid fairly, 28% were motivated by their organisations incentive compensation plan and only 29% said that when they do a good job, their performance gets rewarded. In the same study conducted by Mercer (2002), it was found that among employees that indicated that their performance is rewarded when they do a good job, 90% are satisfied with their jobs; 88% are satisfied with their organisations and 12% were seriously considering leaving (Compensation & Benefits Report, 2003).

Similarly, research conducted amongst primary school educators, also supports the findings of this study, and concurs with previous research which reveals the needs least satisfied were remuneration, promotion, professional status and appreciation of work well done Schulze & Steyn (2003),

The present study confirms that there are a number of factors that have an impact on motivation and satisfaction, but that some of the factors could play a more defined role in motivating employees.

5.3.1.2 The relationship between rewards, recognition and work motivation and satisfaction

The results in table 4.3 reflect that there is a statistically significant relationship between reward and recognition respectively, and motivation and satisfaction. The study revealed that if rewards or recognition offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction. The results of this study also indicated that employees were less motivated by rewards and recognition than some of the other dimensions of the Work Satisfaction and Motivation Questionnaire. By implication, this means that if more focus is placed on rewards and recognition, it could have a resultant positive impact on motivation and thus result in higher levels of job performance.



In support of this finding, a study involving 31500 working Canadians found that 40% of employees believed that they were offered meaningful incentives; 81% indicated that they did not receive any reward for a productivity increase; and 89% cited that their organisations would perform better if there were incentives for quality and productivity (Informal Recognition, n.d.).

The Watson Wyatt survey examined the various elements of the total rewards package to determine which are considered effective by organisations in achieving business objectives. They found that base salary and short-term incentives were effective levers in attracting and retaining top performers (listed by 82% and 74% of respondents respectively).

Short-term incentives were also considered by 78% of respondents as an effective mechanism for aligning behaviour with business goals and aligning behaviour with desired culture, as indicated by 69% respondents (Canadian employers moving to total rewards approach to compensation, n.d.).

MacDonald (as cited in Greenfield, 1993) conducted research in the top 100 companies in South Africa and found that 96% of respondents indicated that money was the most important motivating factor.

In another study of 65 potential incentives, Nelson (1995) report that four out of the top five incentives ranked by employees as most motivating were incentives initiated by their managers. These incentives were based on performance and required little or no money and were rated as follows. Manager personally congratulates employees who do a good job; manager writes personal notes for good performance; manager publicly recognises employees for good performance; and manager holds morale-building meetings to celebrate successes.

Another survey conducted by Mercer (2002), which corroborates these finding were conducted amongst American workers of the Society of Incentive Travel Executives Foundation in 2002, found that 63% of respondents ranked 'a pat on the back' as a meaningful incentive (Compensation & Benefits Report, 2003).

Howard (1997) states that employees should be considered as an asset instead of as a cost in need of attention and value enhancement. He quotes a study at Wichita University of 1500 employees, where it was found that the most powerful motivator

was having the boss personally congratulate individuals on a job well done. Despite this finding, only 42% of the study's respondents said that their organisation recognised them in this way.

Reeve and Deci (1996) conducted a study on the factors that have an impact on intrinsic motivation and support the finding that recognition has a positive impact on motivation. Their findings suggest that getting positive performance feedback in the presence of another doing the same activity is more facilitative of intrinsic motivation than winning a competition or reward against another.

Vansteenkiste and Deci (2003) explored the effects of intrinsic motivation and ego-involved persistence of winning versus losing a competitively contingent reward, and for losers, the additional effects of receiving positive performance feedback. Participants who lost the competition, but received positive performance feedback were significantly more intrinsically motivated than those who did not get any feedback. The findings of the above study clearly indicate the need that people have for recognition, which includes acknowledgement for accomplishments, as well as constructive performance feedback.

Sergiovanni (1967) found that research conducted amongst teachers alluded that teachers obtain their greatest motivation through intrinsic factors. The greatest motivation factor for teachers was to reach and affect the lives of their students and secondly to receive recognition for a job well done.

Benefits, on the other hand, could be considered to form part of rewards and respondents that participated in the present study indicated a fairly high level of satisfaction with the benefits (pension, medical scheme and leave) offered. Singh (2001) who conducted research at a South African Technical College found contrary to the findings of the present study, conflicting findings in his study. His findings indicated that incentives currently received by staff were viewed to be pathetic and not worth mentioning. Although the incentives currently offered by the Department of Education include a subsidized medical aid scheme, annual service bonus, salary increases, home owners allowance, pension fund and leave gratuity, these were regarded as normal benefits associated with their contractual agreement in accepting the job. The respondents in this study viewed themselves as highly competent individuals capable of exceptional levels of performance, but felt that the lack of attractive incentives curbed their potential to excel and thereby crippling their careers (Singh, 2001).



The results of the present study did not indicate that there is any significant difference between rewards and recognition and the impact that it has on motivation and satisfaction. Therefore, the present study confirms that a total rewards management programme, which includes payment or compensation, benefits and informal recognition is required to optimise the motivation and satisfaction levels of staff.

As indicated by the various studies, this business unit would benefit from implementing a total rewards management programme that is supported by a sound performance management process.

5.3.1.3 Differences in rewards and recognition and work motivation and satisfaction based on gender

As discussed in table 4.5, the study indicates that females reported lower levels of work satisfaction and motivation (Mean = 1.78, s = 49) than males (Mean = 1.56, s = 63) on the basis of rewards and recognition than their male counterparts.

According to a study conducted by Kalantari (1995), this result could be attributed to a number of factors. His research found that there is substantial evidence to indicate that women have not been compensated fairly for their work when compared to men in similar positions. He found that traditionally women in the United States have played a different role to men in the labour force.

Women have usually worked in low paying occupations with limited hours of work, and their income supplemented their husband's earnings. However, a new work environment has evolved for women, altering their attitude towards wages, with the result that one of the most important grievances of women has been the wage gap between themselves and their male counterparts. He found that there is substantial evidence to suggest that women have been underpaid compared to men, even for performing similar jobs (Kalantari, 1995).

In support of this finding, research conducted amongst teachers in South Africa by Schulze and Steyn (2003), found that female educators' needs that were not satisfied included salary, biased evaluation of merit and for promotion, participation in decision-making and a fair workload.

Factors that powerfully motivate the female educator were: relationships with learners, pride in their work, self-esteem and love of their particular subject.

5.3.1.4 Differences in rewards and recognition and work motivation and satisfaction based on age and marital status

The study found that that employees in the age group 41-50 years reported lower levels of rewards and recognition, motivation and satisfaction, than employees in the age groups up to 30 years and those older than 50 years of age. It also revealed that married employees reported the lowest levels of motivation and satisfaction.

According to Hall's Age Theory of motivation, recognition for employees between forty and fifty-five would be to be left alone to do their jobs in the best possible way and to be self-directed. Rapidly changing work environments, and their resistance to change may thus account for the low level of motivation in the age group between 40 – 51 years (La Motta, 1995).

A study conducted by Schulze and Steyn (2003), which supports the findings of this study as well as Hall's theory on motivation, found that the years between 40 and 47 were a time of disillusionment for many educators due to unfulfilled ambitions.

From 47 to retirement it was found that educators generally resisted change and were fixed in values and purpose.

The findings of Schulze and Steyn (2003) indicate that there is a correlation between age and marriage and the motivation levels of respondents. They found that age had a major impact on the motivation levels of educators. For example, their study reported that between the ages of 20-27 years educators were committed to marriage, children or job mobility and were trying to build a stable future. Between 28–33 years it was found that educators deal with career issues, marriage and parenting. These factors influenced their motivation levels. Between 34-39 years educators questioned their accomplishment or lack thereof and this might result in some stress, which also impacts on motivation.

Another survey conducted in 2001 in the United States by research house Catalyst, shows that people born between 1964 and 1975 (26 – 37 years), the age group for which careers are expected to peak, are rejecting the stressors associated with high-powered jobs in favour of personal and family goals. This leaves organisations with the dilemma of coming up with unique ways in which to get people to perform at exceptional levels (Motivation, 2005).

Schulze and Steyn (2003) support this and found that in confirmation of previous research conducted (NASSP Practitioner), the youngest educators may be at a stage where marriage and children are priorities that influence their motivation.

A landmark federal Work-Life Conflict Study involving 31500 working Canadians found that frustration and working conditions are the main reasons cited by those thinking of leaving their jobs. Approximately 60% intended to leave because of

working conditions, 55% cited lack of recognition and appreciation, and 40% said that they wanted more time for family and personal activities (Informal Recognition, n.d.).

The business unit is thus challenged to present meaningful recognition to employees in different age categories. There is also indication that recognition has to incorporate work-life balance factors for employees who may struggle to balance work and personal goals.

5.3.1.5 Differences in rewards and recognition and work motivation and satisfaction based on tenure

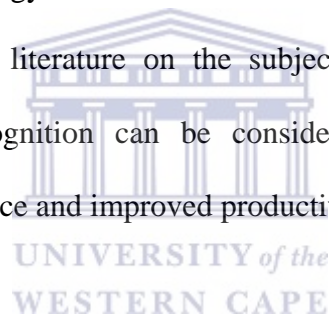
The study found that employees who had been working for the organisation for between 1 and 5 years were the least motivated and satisfied on the basis of rewards and recognition. Those with 16-20 years service in the organisation indicated the highest rewards and recognition compared to all the other categories of employees.

Schulze and Steyn's (2003) research amongst educators found that the more experienced the educator, as determined by length of service, the more influenced they were by the motivational factors considered in the study, and therefore tended to be more easily motivated. Whereas for the group of educators with 6-10 years experience, only two of the factors were found to be most motivational.

This study again supports the literature in that a "one size fits all" approach to rewards and recognition is not acceptable or relevant in most organisations today. The

challenge for the business unit is to make an attempt to determine the specific needs of employees with shorter services histories.

Given that the sample was drawn from a primarily specialist and professional category, employees with shorter service periods may be the ones that the business unit would want to retain. A retention strategy, as a factor of recognition could thus be the answer. South African legislation such as the Employment Equity Act (1998) could assist to strengthen the position of women and other minorities in the workplace. Human Resources have a strategic role to play in addressing the needs of diverse groups of people in the organisation and should not wait on legislation to force them to implement strategy that would result in transformation. From this study, previous studies as well as literature on the subject, it is evident that properly packaged rewards and recognition can be considered as the conduit between motivation and job performance and improved productivity.



Human Resources should thus assist in identifying the internal and external barriers that impede the offering of critical rewards and recognition.

5.4 LIMITATIONS OF THE STUDY

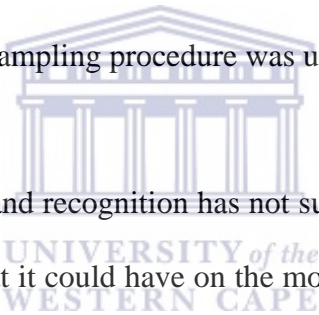
This study was conducted at a large insurance organisation in the Western Cape and the sample group was selected from one of the business units within the organisation. Due to the fact that a convenience sample was used, the research has inherent problems as the findings cannot be generalised and therefore would be low in external validity.

The sample also only concentrated on post grades nine and above, which includes professionals or specialists, first line and senior management, thus limiting generalisability to lower post grade levels.

Given the case study nature of this investigation, results of findings may be specific only to the Operation business unit and may not be generalised to the other business units within the organisation, or to other similar business units outside of the organisation. However, the business unit could use the outcomes of the research study to revisit its current reward and recognition programmes and in particular focus on addressing the needs of diverse groups of people within the business unit.

5.5 RECOMMENDATIONS FOR FUTURE RESEARCH

The responses highlighted a number of interesting issues. For example, the study found that African, Coloured, and Asian employees and females evidenced the lowest levels of work motivation, while White respondents reported the highest levels of motivation and satisfaction. Consideration should however, be given to the fact that the research was conducted at a primarily White, Afrikaans speaking organisation. Due to the fact that a convenience sample was used, there was significant under-representation and lack of control over the number of people of colour who participated in the study. Cognisance should also be given to the fact that the majority of the respondents were female (60%). The study may have yielded significantly different results if a different sampling procedure was utilised.



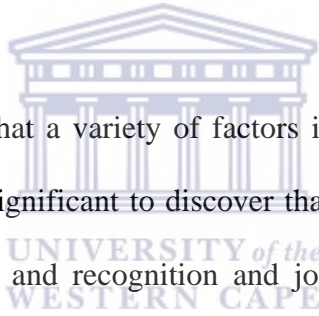
Current literature on rewards and recognition has not sufficiently dealt with the issues of diversity and the impact that it could have on the motivation and satisfaction levels of different people. Therefore, further research on the impact of reward and recognition on motivation and satisfaction for diverse groups of people could be beneficial to organisations. Research should focus on the broad spectrum of diversity categories including, race, gender, disability, etc., but apart from race and gender, factors such as age and tenure should also be investigated. T

The results of such studies could yield some interesting findings and could also significantly impact the delivery of meaningful rewards and recognition to diverse groups of people. According to La Motta (1995, p. 6), “motivation is simply the reason individuals have for doing the things they do when and how they do them.”

In day-to-day society many different things motivate people, and that which motivates one person may not necessarily motivate another. This supports the view that a “one size fits all” approach to rewards and recognition will not be sufficient to motivate people who are inherently different, due to their personality characteristics, but also due to cultural characteristics.

Further studies could also incorporate qualitative research as the present study only used quantitative research methodology.

5.6 CONCLUSIONS AND RECOMMENDATIONS

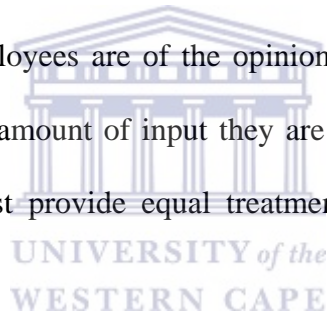


It is evident from the study that a variety of factors influence employee motivation and satisfaction. It was also significant to discover that there is a direct and positive relationship between rewards and recognition and job satisfaction and motivation. Hence, if rewards and recognition offered to employees were to be altered, then there would be a corresponding change in work motivation and satisfaction. The direct translation of this could be that the better the rewards and recognition, the higher the levels of motivation and satisfaction, and possibly therefore, the greater the levels of performance and productivity.

The insurance sector is an increasingly competitive environment and therefore under constant pressure to manage its cost and to retain its employees. Under these circumstances organisations, such as the one at which the survey was conducted, could benefit by focussing on the factors that positively impact employee motivation

and satisfaction. Most organisations in the industry have fairly competitive compensation programmes, but could benefit if they revisit their current offering and include more of the essential elements of what staff would like to receive, such as recognition and acknowledgement (La Motta, 1995).

A total rewards management programme which structures the base pay and compensation package so that it attracts the right people to the organisation, and once they are on board, the organisation uses its rewards and recognition programmes to strategically channel their efforts in a way that drives organisational success, should be in place. Management should keep in mind that there should be a balance between the amounts of effort required and the size or significance of the reward. It may affect motivation negatively if employees are of the opinion that the relative value of the reward does not warrant the amount of input they are required to give. Reward and recognition programmes must provide equal treatment for equal accomplishments (Stroh, 2001).

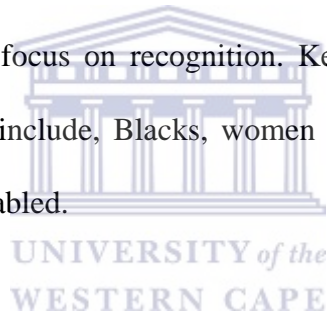


The present study, as well as supporting studies found that females reported lower levels of motivation and satisfaction on the basis of reward and recognition. Even though supporting studies could not be found, the current study also revealed that Black staff experienced lower levels of rewards and recognition.

It would thus bode well for the organisation to review its current compensation strategy and to compare the salary structures of males versus females, as well as amongst the different races. In the event of major inconsistencies, especially for staff on similar post grade levels, the organisation should make a concerted effort to re-

assess and rectify this situation. In the event that the organisation does not re-assess this situation, it could have a resultant negative impact on job performance and productivity as well as on the retention of minorities. In accordance with Maslow's hierarchy of needs, the lower level needs such as salary and benefits must first be met before the higher level needs, which impacts motivation can be satisfied.

The findings alluded to the fact that employees with shorter service histories tended to be less motivated. Given the fact that the organisation and thus the business unit is in a state of transformation, employees in this category may fall into the employment equity category. This places the business unit under pressure to retain these employees. The business unit could benefit from implementing a retention strategy, which in itself has a strong focus on recognition. Key personnel to whom such a strategy would apply would include, Blacks, women and the disabled. The present study did not focus on the disabled.



The study indicated that there were differences in motivation levels on the basis of reward and recognition amongst differently aged respondents. Work-life issues for the age group between 25 and 40 years, which would include the married respondents who reported lower motivation levels, may be an area that organisations could investigate.

Much has been written in the literature about work-life balance and therefore organisations should provide policies and strategies that make it easier for staff to balance the work and life issues. Doing this could positively impact motivation and therefore, result in an increase in job performance and productivity.

Work-life issues to be considered by the organisation would include flexible working hours, childcare facilities, employee assistance programmes etc.

As mentioned previously, reward and recognition if improved, could have a positive effect on motivation and satisfaction. The literature indicates that recognition includes acknowledgement and performance feedback. Managers in the business unit could thus use the performance management system to provide regular acknowledgement and feedback.

The current performance management system of the business unit aligns the individual's key performance areas to the company and business unit strategy. Acknowledgement and performance feedback are thus provided based on performance standards that supports the organisational strategy. Dodd (2005) postulates that performance metrics, performance management as a business process and communication around total rewards management are the crucial underpinnings of an effective compensation system that truly differentiates and rewards performance.

5.7 SUMMARY

Organisations are recognising the significant opportunity to improve the return on their human resources investment by aligning reward plans with business strategy and enhancing the value delivered to employees. This process is crucial to business success, and the ability of the organisation to attract and retain top performers and critical-skill employees, in an increasingly competitive environment.

The research study has shown that managers can employ different strategies to motivate employees, but that it is important that managers keep in mind that different strategies would have a different motivational impact on different people. To get optimum results from a motivational strategy, the manager has to realise and understand trans-cultural issues, which requires recognition of each individual's unique cultural values, beliefs and practices. Important to consider is that different motivation strategies may affect an employee in different ways at different points in time because conditions, needs and personal objectives are not static but in constant state of flux.

A motivation strategy may thus have the influence of increasing motivation in one way and diminishing it in others. To ensure the effectiveness of motivational strategies, it is important to consider the uniqueness of the circumstances and the diversity of the group involved. This will take considerable thought, patience, time and effort, but could have enormous benefits for the team, the business unit and the organisation on the whole in terms of enhancing job performance and productivity.

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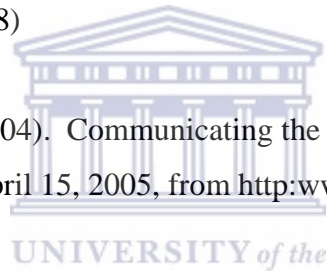
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APPENDIX 1

6 July 2005

Dear Colleague

REQUEST FOR ASSISTANCE WITH A RESEARCH PROJECT

I am in the process of completing my Master's degree in Industrial Psychology at the University of the Western Cape. I have to conduct research for my thesis, focusing on work satisfaction and motivation. The aim of the study is to determine whether rewards and recognition have an impact on employee motivation. The results could assist your unit in improving your benefit offering to staff.

People's needs vary in terms of expectations in the various areas of their lives. The attached document contains questions related to specific aspects of your job in order for me to determine your feelings about these aspects. There are no right or wrong answers.

Given your busy schedule and because I realise that completing the questionnaire will add to an already stressful work-day, I have kept the questionnaire short and it should not take you more than 10 minutes to complete. Please be assured that your response will be treated as confidential.

I trust that the completion of my studies will afford me the opportunity to contribute towards creating a better work environment for all.

Thank you for your co-operation.

Yours sincerely

Roshan Roberts
Performance Development Consultant
Tel : (021) 947 9144
Fax: (021) 957 3487
E-mail: roshan.roberts@sanlam.co.za

APPENDIX 2

BIOGRAPHICAL INFORMATION

1. **Gender**
Male
Female
2. **Home / Preferred language**
English
Afrikaans
Xhosa
Other
3. **Marital Status**
Single
Married
Divorced
Widowed
4. **Age**
Under 20 years
21 – 30 years
31 – 40 years
41 – 50 years
51 – 60 years
61 years & older
5. **Race**
African
Asian
Coloured
White
6. **Job Classification**
Specialist
Line Manager
Clerical/ Administration



If you are unsure which category, please state your occupation:

7. **Educational Qualification**
< Std 8
Matric
Diploma
Degree
Masters
Other (Please specify)

8. Job Grade

PG 9
PG 10
PG 11
PG 12
PG 13
PG 14
PG 15

9. How long have you been employed at this company?

Less than 1 year
1 year – 5 years
6 years – 10 years
11 years – 15 years
16 years – 20 years
21 years or longer



APPENDIX 3

Work Satisfaction and Motivation Questionnaire

CONFIDENTIAL

1. INTRODUCTION

It is fairly obvious that people differ from one another in what they need and expect to get from different areas of their lives. Please think about the work you do and because most jobs are not perfect, consider what would make it better from your point of view.

2. METHOD FOR ANSWERING QUESTIONS

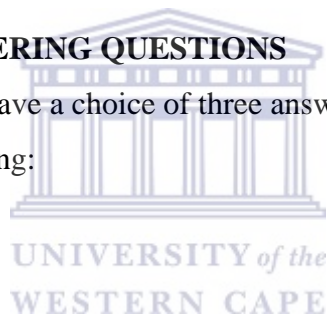
With each question, you have a choice of three answers.

Choose one of the following:

TRUE = T

NOT SURE = NS

UNTRUE = U

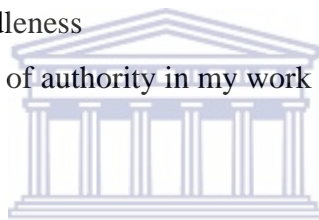


Mark your answers with a cross (X).

3. WORK CONTENT

	T	NS	U
3.1 I am interested in my work	1	2	3
3.2 My work consists of a variety of work	1	2	3
3.3 I receive training daily which teaches me something new	1	2	3
3.4 My work is easy	1	2	3
3.5 The amount of work is easy to handle	1	2	3

3.6	I control the amount of work I do myself	1	2	3
3.7	I am completely independent of others	1	2	3
3.8	I regard the content of my work as responsible	1	2	3
3.9	I know exactly what my mistakes are	1	2	3
3.10	I am allowed to decide on the methods for doing the work	1	2	3
3.11	I am proud to say what kind of work I do	1	2	3
3.12	My work is the way to future success	1	2	3
3.13	I will not be dismissed without good reason	1	2	3
3.14	I have the opportunity to take part when decisions are made	1	2	3
3.15	I feel that my work is of value in my department	1	2	3
3.16	There is not time for idleness	1	2	3
3.17	I have a certain degree of authority in my work	1	2	3



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4. PAYMENT

4.1	My salary is satisfactory in relation to what I do	1	2	3
4.2	I earn the same as or more than other people in a similar job	1	2	3
4.3	The basis of payment, for example overtime payment, is reasonable	1	2	3
4.4	Salary increases are decided on a fair manner	1	2	3

5. PROMOTION

5.1	I will be promoted within the next two years	1	2	3
5.2	Everyone has an equal chance to be promoted	1	2	3
5.3	Staff are promoted in a fair and honest way	1	2	3

6. RECOGNITION

6.1	I am praised regularly for my work	1	2	3
6.2	I receive constructive criticism about my work	1	2	3
6.3	I get credit for what I do	1	2	3
6.4	I am told that I am making progress	1	2	3

7. WORKING CONDITIONS

7.1	My working hours are reasonable	1	2	3
7.2	I am never overworked	1	2	3
7.3	I get the opportunity to mix with my colleagues and to communicate on aspects of our work	1	2	3

8. BENEFITS

8.1	My pensions benefits are good	1	2	3
8.2	My medical scheme is satisfactory	1	2	3
8.3	I never have problems with my arrangements for leave	1	2	3



9. PERSONAL

9.1	I am given work in accordance with my qualifications and skills	1	2	3
9.2	I work in the department of my choice	1	2	3

10. MY LEADER/ SUPERVISOR

10.1	Is satisfied easily	1	2	3
10.2	Will support me if there are problems	1	2	3
10.3	Can be convinced and persuaded	1	2	3
10.4	Is a warm-hearted person	1	2	3

11. GENERAL

12.1	I have considered changing jobs	1	2	3
12.2	I have been looking out for another job	1	2	3
12.3	I am thinking of resigning	1	2	3

THANK YOU

Please check to make sure that you have not missed any questions.

