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An empirical study of staff reward preferences in a South African automotive manufacturing company

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An empirical study of staff reward preferences in a South African automotive manufacturing company

A research project submitted by

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Abstract

It has been widely stated that traditional rewards are no longer sufficient to attract, motivate and retain staff. Employees increasingly want a Total Reward structure that consists not only of monetary items but also non-monetary items. Employee differences in terms of age, race, and gender may also influence the type of rewards that they may prefer. A reward must be valued by an employee for it to contribute to the attraction, motivation and retention of that employee. The aim of this study was to identify which categories of rewards employees view as most important. A secondary purpose was to establish which reward categories influence the attraction, motivation and retention of employees as well as the effect the different demographic profiles of the employees have on the reward preferences. A quantitative study using a range of statistical techniques was carried out. The collection of data was obtained through a questionnaire that was sent to be completed by employees from a large automotive company in South Africa. The results show that Non Statutory benefits followed by Remuneration were the most important reward categories for the respondents. Remuneration and Performance Recognition were the most important two rewards when attracting and retaining staff with Remuneration and Variable Pay the two most important rewards for motivating staff. In terms of the demographic variables notable differences were found between the respective race groups as well as the job level of the respondents. Organizations should thus look at the demographic profile of their staff when designing Total Rewards programs to ensure that they create the desired effect of motivating and retaining current staff and also of attracting potential staff members.

Keywords: Total Rewards programs, reward preferences, attracting employees, retaining employees, motivating employees

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Chapter 1: Introduction

Rewards are the compensations given to employees from an organization in exchange for services rendered (Jiang, Xiao, Qi, & Xiao, 2009; Lyons & Ben-Ora, 2002). How employees view rewards depends on the individual. In other words, different people would prefer different rewards (Eisenberger & Cameron, 1996; Salie & Schlechter, 2012). Managers would gain remarkable profits for the organisation they governed if they were to use an integrated Total Reward strategy properly. This strategy will not only improve the performance of staff, but would also solve existing and potential compensation problems (Costello, 2010). Compared with traditional reward systems, Total Rewards much more deeply reflect in what ways enterprises can attract, motivate and retain talents (Jiang *et al.*, 2009). In the past pay was the most important factor for staff but as times have changed employees want more than that. As the composition of the workforce changes and the shortage of staff with scarce skills are increasing, employers need to focus on which factors will retain these employees (De Vos & Meganck, 2008; Pregnolato, Bussin, & Schlechter, 2017). Also, because increasing salaries is no longer feasible due to increased competition, if a company wants to remain competitive they have to focus on including non-monetary rewards that employee's value in their reward packages.

As parts of human resources management practices, Total Rewards has also been introduced into varieties of enterprises to improve their competitiveness so that they will have the abilities to survive in the global market place (Jiang *et al*., 2009; White, 2005). Studies indicate that today's employees expect to receive competitive benefits and pay, but that those benefits are not the main reason employees join or stay with an organization (Reynolds, 2005). According to Heneman and Coye (2007), Total Rewards encompasses not only compensation and benefits but also personal and professional growth opportunities and a motivating work environment. A Total Rewards System design proposes to accomplish the attraction, retention and motivation of employees (Costello, 2010). Many African organisations have moved to offer Total Rewards packages in line with international

remuneration trends so as to structure packages in accordance with individual needs (Bussin, 2012).

As said by Pfeffer (1998) in the May edition of Harvard Business Review: People work for money, but they work even more for meaning in their lives. Companies that ignore this fact are essentially bribing their employees and will pay the price in lack of loyalty and commitment. Thus, it is clear that employees want more than money to continue working for a company and companies need to look at ways of satisfying these demands. Wey Smola and Sutton (2002) further state that companies that make modifications to benefits and business practices are more likely to attract and retain the best and the brightest of today's and tomorrow's workforce. The need to understand what employees prefer in terms of rewards thus becomes very important.

1.1 Statement of the problem

The South African Automotive sector is under intense pressure from cheaper importers to remain cost competitive. In a process which began in 1989 and accelerated in 1995, the automotive industry has become increasingly exposed to international competition as government has sought to make it more competitive (Black, 2001). A lot of automation has decreased the labour cost but labour still accounts for a significant portion of companies' direct costs. Also due to unions negotiating the labour increases for hourly employees, the manufacturers are placed in a difficult position to give staff high increases and to prevent layoffs. At the same time this was confirmed by Bussin (2012) when he stated that in the private sector, South Africa remains dominated by union-negotiated 'across the board' increases for the unskilled and semi-skilled sectors. The main problem employers are thus facing is attracting, retaining and motivating employees through means other than money as this resource is limited.

This together with the problem South Africa is facing in retaining skilled employees, especially black employees, has led to companies having to find ways to offer rewards that

do not only include salaries but also include non-monetary rewards as well. Companies are in competition for skilled employees but finances are a constraint (Zingheim & Schuster, 2008). The generation that is currently the majority in the workplace is Generation X and Y and these employees need different strategies to retain them. Varied groups of employees with contrary demographic profiles have different requirements from the environment in which they work. (Bussin, 2012).

All of the above has led to more focus being put on non-financial rewards in motivating and retaining employees. This has been affirmed by Heneman and Coye (2007) where they say that stiffer competition has made it difficult for cost conscious organizations to offer higher wages and more benefits each year. Also Reynolds (2005) states that at a time when all companies have a finite amount of money to put towards Total Rewards, discovering soft monetary ways to win with all age groups is a real coup.

1.2 Purpose of the study

Most literature highlights the importance that the rewards must be valued by the employee to have the desired effect. People get motivated by a variety of dissimilar factors and will thus place different values on the same reward (Morrall, 1996). A generic reward not valued by an employee may create the impression that the employer is attempting to trick the employee and might result in the reward program not having the desired effect of motivating the employee (Salie & Schlechter, 2012).Thus effective retention strategies will not be the same across companies (Bussin, 2012). Menefee and Murphy (2004) corroborate this belief through the following quotation 'The employee value rankings of the monetary and non-monetary rewards provide a blue print for total reward packages offered to employees'. Understanding employee's reward preferences will therefore influence the reward strategy and in turn the Total Rewards framework (Giancola, 2006, 2008).

In a perfect world a company's reward program would be individualised but due to the problem this creates when administrating this it is not feasible (Bussin, 2012). This is

especially true for companies that have thousands of employees. Also literature suggests it's better to structure rewards per segment. Another alternative is to design Total Rewards per division instead of having individual rewards as different divisions will have different reward preferences (Herman & Gioia, 2000; Nienaber, Bussin, & Henn, 2011). Once an organization adopts a total reward framework the next step is to offer employees flexibility to choose from the different components included in the framework and within the overall remuneration strategy and policy (Bussin, 2012). Different rewards are often offered for different employee groups specifically according to job level, business unit, geographic location, etc (Mecer, 2008). Some companies' objective is to reward performance strongly so they emphasize total cash compensation, including variable pay, to engage employees, communicate important business goals, and reward results. In contrast governmental organizations tend to have lower base pay: small, if any variable pay; and very competitive benefits. These differences attract different types of workforces (Zingheim & Schuster, 2008). Rather than attempting to respond to all employees, many employers are being more selective in understanding the Total Rewards preferences of the high performers, people possessing the organization core competencies (e.g. product development people in a high-technology company), and people in organizational critical jobs below the executive level. This means customization of these rewards for these employees, provided they continue to produce business results (Zingheim & Schuster, 2008).

The purpose of this study is to identify the reward preferences of staff in a South African manufacturing company in order to identify what attracts, motivates and retains them. Companies are wisely trying to ease the strain on employees by improving their work environment (Deloitte, 2008). Many companies are implementing or expanding workforce programs that are designed to make balancing work and family easier. While these programs won't put dollars in employees' pockets, they can go a long way towards helping employees view their company more favourably, making them less likely to leave. If a reward

programme can be compiled to achieve intrinsic motivation together with creating sustained performance it can be used to reduce staff turnover (Salie & Schlechter, 2012).

1.3 Significance of the study

This study contributes to the limited research on staff reward preferences in a South African environment. As a result of the study the company in question may be able to obtain a deeper understanding of the reward preferences of their employees and modify its Total Rewards policy accordingly. As mentioned previously this study is especially significant to the automotive industry due to the strain on cost caused by increasing cheaper competition. This is causing companies in this sectors to look at non-monetary rewards to attract retain and motivate staff.

1.4 Research question

This study aimed to answer the following research question: What are the reward preferences of employees in a South African automotive manufacturing company and which rewards are most important in attracting, retaining and motivating them?

1.5 Assumptions, limitations and delimitations

The researcher analysed the reward preferences of employees of one company in the automotive sector in South Africa. The results may thus not be generalizable to other sectors.

Chapter 2: Literature review

2.1 Demographic impact on reward preferences

Literature has highlighted that demographic factors influence individual reward factors, and by identifying employees' rewards preferences a suitable reward strategy can be developed by companies to attract, motivate and retain staff.

Studies conducted by Towers Perrin (2003) in the Towers Perrin Talent Report to track the views and attitudes of employees to understand the elements of the work experience that drive attraction, retention and engagement for full time employees working for medium and large organizations across North America found employees between 18-29 years place the most value on variable pay, company shares and base pay. The middle income group of 30-44 years and 45-54 years value base salary, deferred remuneration and benefits including retirement funding and medical aid as important. The eldest age group of 55 years or older placed the same value on retirement funding and base salary and medical aid.

In the field of gender Konrad *et al*. (2000) in a meta-analysis consisting of 31 studies conducted after 1970 examined whether women and men in management and business schools in the United States differ in their job attribute preferences found that men attached greater importance to earnings and responsibility and women to job security, prestige, a comfortable work environment, good co-workers, a good supervisor, good hours, growth development opportunities, challenge, variety and task significance. Women and men did not differ in the importance they attached to promotion opportunities, benefits, recognition, opportunities to help others, freedom/autonomy, opportunities to use their abilities and a feeling of accomplishment (Konrad *et al*., 2000).

Pregnaloto *et al*. (2017) conducted a study in South Africa on remuneration managers across a variety of industries to identify which rewards they would offer to three theoretical employees and employees of a multinational oil company based in Cape Town to judge the

rewards that is important to them found that women place greater importance on learning and career advancement than men do. Similarly in another study done by Nienaber *et al.* (2011) to determine the relationship between personality types and reward preferences and to determine the reward preferences for different demographic groups from the client listing of 21st Century Business & Pay Solution, and Nedbank group Ltd employees in Johannesburg indicated that women have higher preference for non-financial rewards and financial reward than men. Agreeing to this Rajkumar (2015) conducted a study to explore which factors influence the demographics of employees and motivation type on preferences of rewards in the database of the 21st Century Pay Solutions Group and members of the South African Reward association found for females a quality work environment was more important than for males while males rated salary and variable pay short term more important than females. A study was conducted by Snelgar *et al*. (2013) to name which rewards categories weighed as most important to respondents and assess the impact of these reward categories on an organisations' ability to attract, motivate and retain employees. The respondents consisted of employees from 10 companies in no specific industry, located in Port Elizabeth and Johannesburg and were medium to large in size found women view base pay, work home integration and quality work environment as more important than men.

For race Pregnaloto (2017) found that black employees consider performance and recognition key factors for them to remain working for their employers. Black employees also consider learning and career advancement, and work life balance to be more important to them than white employees do. Contrasting to this Rajkumar (2015) found higher importance was placed on variable pay and long term extrinsic rewards by Black Africans while Indians and Coloureds placed higher importance on base salary to be competitive than other race groups.

There were different findings for the respective studies in terms of age. Nienaber (2011) found that the older the respondents the lower the preference for both non-financial rewards

and financial rewards. Rajkumar found sensitivity among the older age group of 49 years regarding base salary and benefits were higher than the younger age group e.g. 18-28 years. Snelgar *et al*. (2013) found older employees regarded contingency pay and base pay as more important than the younger employees in the age group 18-29.

Other findings of the studies included Nienaber (2011) found the respondents with 0-2 years' service had a higher preference than those with 3-6 years' service for non-financial rewards, the more senior the job level, the lower the preference for both non-financial rewards and financial rewards and the higher the qualifications the lower the preference for financial rewards. Rajkumar (2015) found respondents in the category separated/divorced/widowed revealed that they placed a high value on financial rewards that are extrinsic. More importance was place on a competitive base salary by respondents with three or more dependants. This could be because bigger families need more income to sustain the dependent members in the household. Snelgar *et al*. (2013) found for the job level that the lower level the employee is, the more important benefits are.

The main findings of Rajkumar study revealed that salary and benefits (including medical aid, retirement funding and disability benefits, paid leave) and quality environment were the most important reward categories for the respondents. In terms of attraction, motivation and retention salary and health care was the rated as the most important for the respondents. Simarly, Snelgar *et al*. (2013) found that the most important reward category was base pay and the least important work home integration. No significant differences were found between the top four rewards that is base pay, performance and career management, contingency pay and work home integration in terms of the attraction, motivation and retention of employees.

In South Africa The Employment Equity Act no 55 of 1998 has been instrumental in changing the demographic profile of the local labour market (Booysen, 2007; Pregnolato *et al*., 2017). The implementation of The Broad Based Black Economic Empowerment

(BBBEE) Act of 2003 and the Employment Equity Act of 1998 that legally require companies to have sped up their employment of African Black senior managers the labour market have been disarrayed (Nzukuma & Bussin, 2011). Because of the Apartheid laws regarding education there is a shortage of these suitable candidates and previous studies has found that a sense of belonging and a clear growth plan in companies has been cited by African black senior managers to be important to them (Mazola, 2001; Nzukuma & Bussin, 2011).

Based on the above, it is clear that companies must aim to identify employees' rewards preferences so as to develop suitable reward strategies that can attract, motivate and retain staff with different reward profiles.

2.2 Generational influences on rewards

A generation is a group of people who are programmed at the same time in history (Murphy, 2007; Raines, 2003). They share historical and social life experiences, which affect the way people in that generation develop, and also distinguishes one generational group from another (Kupperschmidt, 2000; Wong, Gardiner, Lang, & Coulon, 2008). The general consensus is that the five broad generation of employees are: Veterans (1925-1944), Baby boomers (1945-1964), Gen X (1965-1981), Gen Y (1982-2000) and Millennials (2000-2017) as stated by Hart (2006). As rightly stated by Deloitte (2014) this is perhaps the first time in history where four generations of people can be seen in the same workforce and the challenge of designing rewards programs that motivate, attract and retain all employees is therefore quite significant.

Wey Smola and Sutton (2002) suggests that generational work values do differ as a result of societal environment and the maturation process of individuals. Millennials and the generations after them may bring their own set of changing values. Managers may need to be creative in accommodating those needs while still watching the bottom line (Santos & Cox, 2000; Wey Smola & Sutton, 2002). Murphy (2007) found that baby boomers want personal appreciation, promotion and recognition; generation X wants free time, upgraded

resources and opportunities for development. Millennials want certificates and tangible evidence of credibility. Managers who know what motivates employees of different generations are more effective in keeping them engaged (Murphy, 2007).

Pregnolato *et al*. (2017) on the other hand found few differences across different generations and race groups when it comes to benefits. Baby boomers placed the highest level of importance on Remuneration followed by Generation X and lastly Generation Y. In term of retention, work life balance was slightly more important for Generation Y. Similarly Wong *et al*.(2008) found few meaningful differences in personal preferences and motivational drivers between the three generations and these differences related more to age than generation, as well as Reynolds (2005), which found that while generations are markedly different, their expectations regarding Total Rewards are surprisingly similar.

There is thus contradicting literature regarding generational influences on reward preferences.

2.3 The use of rewards in the attraction, motivation and retention of employees

For companies to attract motivate and retain a workforce that consists of top performers and experts in their field they have to focus on what employees value (Armstrong & Cummins, 2011; Snelgar *et al*., 2013). The internet has made it possible for employees to compare salaries between companies. Currently social media also provides this platform, not only to compare salaries but also other rewards in employees' Total Rewards packages (Zingheim & Schuster, 2008). Because of this employers must focus on Total Rewards because it's easy to find employers that pay higher salaries. Total rewards include not only total compensation but also individual growth, a positive workplace and a compelling future (Zingheim & Schuster, 2000, 2001).

According to Armstrong (2002), human behaviours is influenced by direction, effort and endurance which is also termed motivation. Focussed on the ways in which workers decide

which specific behaviours to perform and how much effort to exert, Expectancy Theory predicts one's level of motivation depends on the attractiveness of the rewards sought and the probability of obtaining those rewards (Vroom, 1964). This outlines the relationship between reward and motivation (Deci & Ryan, 1985; Salie & Schlechter, 2012). Jensen *et al*. (2007) states that in terms of the effects on human behaviour, different motivations have different effects. Intrinsic motivation refers to motivation by oneself and extrinsic motivation refers to when an employee awaits reward and recognition. There is a controversial relationship on the effect of rewards programmes and motivation. Research suggests that motivation will be increased if staff can relate performance to the rewards being obtained (Salie & Schlechter, 2012).

Maslow's hierarchy of need theory (1943) proposed that motivation is a function of five basic needs-physiological, safety, love, esteem and self-actualization. Thus an employee would seek to satisfy their basic needs of food (physiological) first before the self-actualization (fulfilment of personal needs in terms of life's meaning). To motivate staff have always been a problem for the management of organisations because when staff confidence is low performance reduces and this directly effects the organisations competitiveness (Herzberg & Mausner, 1959; Rajkumar, 2015).

Ultimately companies want to retain their employees due to the lack of skills available as well as the cost involved in staff turnover. According to Deloitte (2014) as the business landscape continues to become more globalized, the need to attract, engage and retain top talent is a highly pressing issue. Deloitte (2008) states that many companies feel vulnerable to the pressure from other companies competing in the war for talent, 39% of companies stated that their decision to implement retention strategies is as a result of competition for talent from other companies practices. Retention has different definitions, among others Browell (2003, p5) defines employee retention as 'keeping those members of staff that one wants to keep and not losing them from the organization for whatever reason, especially to the competitors' while McKeown's (2002) view is that there is no precise definition of employee

retention because the manager perception of retention varies. It is thus important for companies to have a retention strategy. When an organization decides to define its own employee retention strategy, one of the challenges it faces is to decide on the factors to consider as the foundation for that retention strategy (McGee, 2005; Mohlala, Goldman, & Goosen, 2012). The employer of choice concept stresses that the success of employee retention can be driven through an employee management, development and reward system, all of which are necessary to develop the Employee Value Proposition (McKeown, 2002).

The number of organisations bringing about specific methods to retain their staff are multiplying. Staff turnover is expensive and finding replacement skills can be a difficult task (Bussin, 2012).There is significant cost for an organisation that relates to key staff members' turnover. For such reasons it is vital for organisations to retain their key staff to reduce costs and run successful businesses (Booysen, 2007; Pregnolato *et al*., 2017).

Remuneration based retention strategies are critical, but simply offering monetary rewards is not going to attract, retain and motivate employees in the long term. Each employee is motivated by different factors depending on their age, status, career goals and so on. Therefore strategies must be targeted at individual employees or groups of employees. Through successful engagement with employees a high level of commitment can be achieved during their tenure at the organization, thereby maximizing the return to the employer as well as the employee (Bussin, 2012).

Chapter 3: Research methodology

3.1 Research Approach

This study used a quantitative research approach in order to answer the following research question: What are the reward preferences of staff employees in a South African automotive manufacturing company and which rewards are most important in attracting, retaining and motivating them? Data was collected by means of a structured questionnaire from Nienaber's reward preference questionnaire (Snelgar *et al*., 2013). The research was structured to understand which rewards employees prefer and which rewards will attract, motivate and retain them.

3.2 Research method

3.2.1 Participants

The participants were staff employees from a large size automotive production and aftersales plant with offices in the Eastern Cape and Gauteng region.

3.2.2 Measuring instrument

A questionnaire was used to measure the reward preferences of employees. The questionnaire used was developed by Prof Snelgar from the Department of Industrial and Organisational Psychology at the Nelson Mandela University based in Port Elizabeth (Snelgar *et al*., 2013). This questionnaire is based on Nienaber *et al.* (2011) rewards preference questionnaire (RPQ).As stated by the compilers of the questionnaire the questionnaire used was based on the Total rewards model's theory (Snelgar *et al.*, 2013).

The structure of the questionnaire is as follows:

Section A-Demographics of respondents

This sections include the different demographic factors of the respondents. The items include gender, age, racial group, marital status, and level of education, number of members in the household, household income per month, job level, job category and years of service (Snelgar et al., 2013).The response format had different options and the respondents had to choose the option they identified with.

The household income scale, job level and areas in the company were adjusted to fit with the company's structure. Five colleagues were requested to complete the questionnaire to check the understanding of participants as a test run. After this, the input from the colleagues were taken into consideration and the adjustments were made on the questionnaire.

Section B – Reward preferences

Section B consists of two subsections to identify which of the rewards were important to the respondents and the extent to which rewards determined the organization's ability to attract, retain and motivate. In Section B1 there were a total of 42 questions. For each question respondents were asked to rate how important each reward preference was on a five point Likert scale where 1 was not important at all and 5 extremely important

In Section B2 respondents were asked to rate the impact of the six categories that would attract, retain and motivate them in an organization. The responses were captured in a Likert scale where 1 was strongly disagree and 5 was strongly agree.

Finally section B3 consists of two open-ended questions. In the first question employees were requested to choose which two rewards other than salary they would prefer. The second question asked the participants to identify which factors affect their reward choices. The purpose of these questions was to allow the respondents to explain their views to better allow the researcher to understand the rest of their responses in the questionnaire (Snelgar *et al*., 2013).

The questionnaire used can be found in Appendix A.

3.3 Research procedure

An electronic questionnaire was developed using Survey Monkey and a link was created on which staff could click and complete the questionnaire. This link was made available to the staff via an email. One of the advantages of using an online questionnaire is that the data were collected in a central base thus it deletes the time required for capturing (Janet, Steve, & Healey, 2001). A pilot run was done on five people to test if they could access the survey and understood the questions. The survey included a cover letter that stated that participation was voluntary and that the responses would be anonymous (refer to Appendix B).

3.3.1 Ethical considerations

Permission to carry out the research was granted by the University Research Committee and the Human Resources department from the organisation in which the study was performed. The purpose of the study was clearly communicated to participants as well as the fact that participation was completely voluntary and withdrawal can happen at any point with no consequences.

It was highlighted that the questionnaire was not harmful in any way and that respondents were giving informed consent when they choose to proceed with completing the questionnaire. The responses collected were stored securely with only the researcher, supervisor and survey creator having access to the results.

3.4 Statistical analysis

Once the survey was closed the data from the questionnaires was put into Microsoft Excel. In order to answer the research questions the data was analysed as described in the following sections.

3.4.1 Descriptive statistics

Descriptive statistics were calculated in order to allow the researcher to determine the characteristics of the employees who answered the questionnaire in terms of terms of gender, age, racial group, marital status, level of education, number of household members, household income per month, job level, job area and how long they had worked for the company.

3.4.2 Factor Analysis & Principle Component Analysis

Factor Analysis is a data reduction technique that takes a large set of variables and looks for a way in which the data may be reduced or summarised using a smaller set of factors or components. It does this by looking for ‘clumps’ or groups among the inter correlations of the variables (Pallant, 2013; Pett, Lackey, & Sullivan, 2003). Factor Analysis is based on the fundamental assumption that some underlying factors, which are smaller in number than the number of observed variables, are responsible for the covariation among the observed variables (Fruchter, 1954; Kim & Mueller, 1978).

There are two sets of techniques which are different tools termed Factor Analysis and Principle Component Analysis. Factor analysis and Principal Component analysis both attempt to produce a smaller number of linear combination that captures most of the variability in the pattern of correlations. The difference is that in principal component analysis the original variables are transformed into a smaller set of linear combinations, with all of the variance in the variables being used (Pallant, 2013).

In Factor Analysis factors are estimated using a mathematical model, whereby only the shared variance is analysed (Pallant, 2013). Factor Analysis produces factors while Principal Component Analysis produces components (Harman, 1976; Tabachnick & Fidell, 2007). Stevens states (1996) that Principal Component Analysis is psychometrically sound and simpler mathematically and it avoids some of the potential problems with ‘factor

indeterminacy' associated with factor analysis. Further on Tabachnick and Fidell (2007) state that if you want an empirical summary of the data set, principle component analysis is the better choice and if you are interested in a theoretical solution uncontaminated by unique and error variability factor analysis is the best choice.

3.4.2.1 Principle Component Analysis

In this study Principle Component Analysis was used to determine which of the six reward categories are most prominent in attracting, retaining and motivating employees. In Principle Component Analysis, all sources of variability (unique, shared, and error variability) are analysed for each observable variable. Its goal is to extract the maximum variance from a data set, resulting in a few orthogonal (uncorrelated) components (Mertler & Reinhart, 2016). In Principal Component Analysis the original variables are transformed into a smaller set of linear combinations, with all of the variance in the variables being used (Pallant, 2013).

The last step in principle component analysis once the number of factors has been determined is to attempt to interpret them. To assist in this, the factors are 'rotated'. Orthogonal rotations are done so that the factors are always at right angles to each other (Kline, 2014; Nunnally & Bernstein, 1978). Varimax with Kaiser Normalization can be used to achieve this. Varimax is an orthogonal factor rotation which is a rotation of factors that results in factors being uncorrelated with each other (Mertler & Reinhart, 2016). According to Tabachnick and Fidell (2007) orthogonal rotation results in solutions that are easier to interpret and to report; however they do require the researcher to assume that the underlying constructs are independent (not correlated). The solution can only be rotated if more than one component is extracted.

3.4.2.2 Factor Analysis

Factor Analysis, is essentially a process by which the number of variables is reduced by determining which variables cluster together, and factors are the groupings of variables that

are measuring some common entity or construct. The main set of results obtained from a factor analysis consists of factor loadings, which are interpreted as the Pearson correlation coefficient of an original variable with a factor. Its underlying purpose is to determine if measures for different variables are in fact measuring something (Mertler & Reinhart, 2016). In this study Factor Analysis was used to identify the common latent factors that represent rewards. The goal was to identify reward factors that could explain the reward preferences of employees. Major steps in Factor Analysis include data collection and preparation of the covariance matrix; extracting initial factors; rotation to a terminal solution and construction of factor scales and their use in further analysis (Kim & Mueller, 1978; Thurstone, 1947). For the Factor Analysis the extraction method used was Principal Axis Factoring with rotation method being Varimax with Kaiser Normalization. Eigenvalues must be considered together with Factor Analysis. An eigenvalue is defined as the amount of total variance explained by each factor; with the total amount of variability in the analysis equal to the number of original variable in the analysis (i.e. each variable contributes one unit of variability to the total amount due to the fact that the variance has been standardized). A scree plot is a graph of the magnitude of each eigenvalue (vertical axis) plotted against its ordinal numbers (horizontal axis). In order to determine the appropriate number of components to retain and interpret, one should look for the ‘knee’, or bend, in the line of this graph (Mertler & Reinhart, 2016).

3.4.3. MANOVA

Multivariate analysis of variance (MANOVA) is an extension of analysis of variance for use when there is more than one dependent variable. MANOVA compares scores of different groups and shows whether the mean differences between the groups on the combination of dependent variables are likely to have occurred by chance (Hair, Black, Babin, Anderson, & Tatham, 2006; Pallant, 2013). The dependent variables in this study were all the eight factors identified and the independent variables were the biographical variables. The aim of the analysis was to determine if there were significant differences between the groups in terms of reward preferences.

3.4.4 ANOVA

Analysis of variance (ANOVA) involves one independent variable which has a number of different levels that correspond to the different groups or conditions and one dependent variable (Mertler & Reinhart, 2016). The independent variables were each of the biographical variables and the dependent variables were each of the factors identified through the factor analysis. The ANOVA tests were performed to further explore relations identified in the MANOVA.

Chapter 4: Data Analysis

The following chapter includes the results obtained from the statistical analysis as well as the discussion therein. Initially 164 employees were chosen at random and were sent the questionnaire through an email. This was followed by a reminder after one week. A low response rate resulted in an additional 200 request mails being sent out to random staff members in different areas and on different levels of the business with another reminder after one week. The fact that not all staff members have access to the internet could be a determining factor in the response rate. Once the survey was closed in total 135 responses were received. Out of these responses only 115 were fully complete. These 115 responses represent 8% of the total staff. This sample response was enough to be able to carry out the statistical analysis.

4.1. Descriptive statistics

Descriptive analysis was done for the biographical data in order to allow the researcher to better understand the characteristics of the respondents. The results of the descriptive statistics are shown in Table 1.

The results for the respondent's shows that 57.4 % were male and 42.6 % female.

Most of the respondents were in the age group 29-38 years which amounted to 43.5% of the sample followed by 24.3% in the age group 39-48 years and 14.8% in the age group of 49-59 years. This shows that 82.6 % of the sample consists of middle aged individuals. Only 5.2% of the respondents were older than 60 years and 12.2% between 18-28 years old.

The Indian population was the least represented with only 10.4% of the sample and the majority was Black with 36.5%. White and Coloured employees more or less had the same representation with 26.1% and 27% respectively of the sample.

The vast majority of the sample fell in the married/living together group of 69.6% with only 27% being single and 3.5% divorced.

In terms of qualifications 54.8% of the respondents had a diploma/degree followed by 36.5% with a Post graduate degree and only 8.7% had only a matric qualification. This shows that the majority of the sample was highly educated.

The number of members in a household was recorded and revealed the majority of the sample had 4+ members in their household representing 39.1% of the sample. This was followed by 24.3% having three members and 23.5% having two members. Only 13% of the sample had one member in the household.

In terms of monthly household income 40% of the respondents earned R40000 or more followed by 33% earning between R30000-R39999 and 17.4 % earning R20000-R29999.The least earners that earned less than R15000 were 3.5% of the sample.

For the job level the majority of the sample was senior staff representing 53% of the sample followed by specialist/supervisor with 22.6% and staff intermediate of 18.3%.The managers and graduate trainee was the least representative of the sample with 5.2% and 0.9% respectively.

The area that most respondents worked in was the National Sales Organisation (NSO) with 32.2% of the sample followed by Production/Logistics with 23.5%.The areas that had the least respondents were Administrative and Purchasing with each only constitution 0.9% of the sample.

Finally, more than half of the sample worked for the company 10+ years (50.4%) with the respondents that worked for the company 0-2 years representing only 10.4% of the sample.

In total the sample represented 8% of the company’s total staff.

For the Job area a further analysis was done in terms of the samples representation of the total area in the company. The results showed the sample constitutes 9% of the total Human Resources, 11% of the National Sales Organisation, 8% of the Quality Assurance; 4% of the Administrative,19% of Finance/IS, 4% of Production/Logistics,1% of Purchasing and 9% of Product engineering/Product Management. Finance was thus the most representative area with Purchasing being the least representative area.

Table 1: Biological profile of respondents			
Biographic variable	**Sub category**	**Total**	
		n	**%**
Gender	Male	66	57.4
	Female	49	42.6
Age	18-28	14	12.2
	29-38	50	43.5
	39-48	28	24.3
	49-59	17	14.8
	60+	6	5.2
Race	White	30	26.1
	Black	42	36.5
	Indian	12	10.4
	Coloured	31	27
Realtionship status	Married/Living together	80	69.6
	Single	31	27
	Divorced	4	3.5
Education	Matric	10	8.7
	Diploma/Degree	63	54.8
	Post graduate	42	36.5
Members in a household	One	15	13
	Two	27	23.5
	Three	28	24.3
	Four +	45	39.1
Income	<R15000	4	3.5
	R15000-R19999	7	6.1
	R20000-R29999	20	17.4
	R30000-R39999	38	33
	R40000+	46	40
Job	Graduate trainee	1	0.9
	Staff-intermediate	21	18.3
	Staff-senior	61	53
	Specialist/supervisor	26	22.6
	Manager	6	5.2
Job area	HR	7	6.1
	NSO	37	32.2
	Quality assurance	12	10.4
	Administrative	1	0.9
	Finance/IS	21	18.3
	Production/Logistics	27	23.5
	Purchasing	1	0.9
	Product engineering/product management	9	7.8
Time worked for the company	0-2 years	12	10.4
	2-4 years	14	12.2
	3-4 years	31	27
	10+ years	58	50.4

n,number of respondents per subcategory
n=115

4.2 Factor Analysis

The factor analysis was done to identify reward factors that could explain the reward preferences of employees.

Reliability Test

The first test that was carried out was to check for the internal consistency of the 42 questions by calculated the Cronbach's alpha. The results of the Cronbach's alpha are shown in Table 2. The summated score revealed a high Cronbach's alpha of 0.926 which represents a high level of internal reliability for this study.

Table 2: Internal consistency statistics for reward preferences

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.926	0.931	42

Secondly each of the items in the questionnaire were analysed to see if the overall Cronbach's alpha coefficient could be improved by dropping the question from the questionnaire. The results indicate the removal of any question would lower the alpha value slightly (except for the "parking bay question"), therefore none of the questions were deleted from the analysis (refer Appendix C).

Before Factor analysis can be performed the Kaiser-Meyer-Olkin Measure of Sampling Adequacy and the Bartlett test must be calculated. This results are shown in Table 3.This results revealed the KMO is close to 1 (0.788) and larger than 0.5 thus factor analysis can be applied (there is enough variation in the sample) and the Bartlett test rejects null hypotheses of no relations between variables (identity matrix) thus factor analysis can be conducted.

Table 3: KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.788
Bartlett's Test of Sphericity	Approx. Chi-Square	2609.53
	df	861
	Sig.	0

The results of the extraction of the factors are shown in Appendix D. As can be seen twelve factors with initial eigenvalues >1 were identified. The cumulative % of variance explained was 61%.

From the twelve factors eight were identified with common latent rewards in the rotated factor matrix (refer Appendix E). The analysis of the rotated factor matrix showed the below:

Factor one: Career benefits

This factor includes items that are concerned with study leave for further studies, paid leave for professional development or research, constructive feedback on my performance, bursaries/funding for tertiary qualifications and career path planning aligned with employees' personal interests. All these items had high correlations to the development and improvement of the employee's career path and prospects therefore it was concluded that all these items represent Career benefits. Table 4 shows the mean scores obtained from the answers to the questions under this factor. "Constructive feedback on my performance question" had a significant higher mean score of 4.60 than the other questions. The next question of "career path planning aligned with employees personal interest" had a mean score of 4.33 with "study leave" and "paid leave for professional development or research" each with a mean score of 4.24 and 4.23 respectively. "Bursaries/funding for tertiary qualifications" was rated the lowest in this category with a mean score of 4.17.

Table 4: Factor one		
Career benefits	**Description**	**Mean**
FEED	Constructive feedback on my performance	4.60
PATH	Career path planning aligned with employees' personal interests	4.33
PAIDLEAVE	Paid leave for professional development or research	4.24
STUDY	Study leave for further studies	4.23
FUND	Bursaries/funding for tertiary qualifications	4.17

Factor two: Work environment

Upon inspection of the rotated factor matrix for factor 2 the following items showed high levels of correlation with the factor: "a good working relationship with colleagues", "a comfortable work environment", "personal safety and security in the workplace" and "the ability to work flexible working hours". All these relate to the employee's experiences relating to their workplace and therefore have been grouped under the theme of Work environment. For Work environment "personal safety and security in the workplace" was ranked most important with a mean score of 4.57 with "the ability to work flexible hours" the least important with a mean score of 4.43. The means for "good working relationship with colleagues" and "a comfortable work environment" was more or less the same with the mean scores being 4.48 and 4.46 respectively.

Table 5: Factor two		
Work environment	**Description**	**Mean**
SAFE	Personal safety and security in the workplace	4.57
GOOD	A good working relationship with colleagues	4.48
COMFORT	A comfortable work environment	4.46
FLEXI	The ability to work flexible working hours	4.43

Factor three: Family

This factor includes items that are concerned with subsidized tuition for employees' children, an allowance/subsidy to care for an employee's financially dependent parents, remuneration structured according to employees' own needs and holiday programs for the children of employees. These are linked to family related areas of importance to the employee and

therefore have been grouped under the theme of Family. For Family the first two questions of 'subsidised tuition for employees children' and 'a remuneration structured according to employees own needs' had a mean score of 4.03 and 4.02 with the last two factors in the group having significant different mean scores of 3.42 for "allowance and subsidy to care for an employee's financially dependents parents" and 3.23 for "holiday programs for children of employees".

Table 6: Factor three

Family	**Description**	**Mean**
SUBCHILDREN	Subsidised tuition for employees' children	4.03
STRUCPACK	Remuneration structured according to employees' own needs	4.01
HOLPROGRAM	Holiday programs for the children of employees	3.23
PARENTS	An allowance/subsidy to care for an employee's financially dependent parents	3.42

Factor four: Personal growth

This factor includes items that are concerned with rotate and experience different types of jobs, a coach or mentor in the workplace and growth opportunities (career development, training, and promotion).These are directly linked to an employee's personal development and expansion of their knowledge and therefore have been grouped under the theme of Personal growth. For Personal growth, "growth opportunities has a much higher mean score of 4.66 than the other two questions of "a coach or mentor in the workplace" and "rotation and experiencing different types of jobs" which had mean scores of 4.1 and 4.17 respectively.

Table 7: Factor four

Personal growth	**Description**	**Mean**
GROWTH	Growth opportunities (Career Development, Training, Promotion)	4.66
ROTATE	To rotate and experience different types of jobs	4.17
MENTOR	A coach or mentor in the workplace	4.10

Factor five: Flexible working conditions

This factor includes items that are concerned with the ability to log into the employer's network from home, a laptop and 3G cards and phased in return to work after maternity/paternity leave. This refers to employees being able to access the work areas from home and to not have a rushed return to work and therefore have been grouped under the theme of Flexible working conditions. For Flexible working conditions '"the ability to log into the employers network from home" had a mean score of 4.02 followed by "a laptop and 3G cards" with 3.91 and the lowest question in the factor is the "phased in return to work after maternity/paternity leave" with a mean score of 3.58.

Table 8: Factor five

Flexible Working Condition	**Description**	**Mean**
HOME	The ability to log into the employer's network from home	4.02
LAPTOP	A laptop and 3G card	3.91
MATPAT	Phased in return to work after maternity/paternity leave	3.58

Factor six: Performance related

This factor includes items that are concerned with bonus allocations linked to personal performance, merit increases linked to personal performance and a performance contract with agreed objectives. This relates to employees rewards that is linked to their personal performance and therefore have been grouped under the theme Performance related. For Performance related "bonuses linked to personal performance" and "merit increase linked to personal performance" have the exact same mean score of 4.44 while "performance contract with agreed objectives" has a lower mean score of 4.24.

Table 9: Factor six

Performance related	**Description**	**Mean**
MERIT	Merit increases linked to personal performance	4.44
BONUSPER	Bonus allocations linked to personal performance	4.44
PERFCONTRACT	A performance contract with agreed objectives	4.24

Factor seven: Remuneration

This factor includes items that are concerned with salary/wages and annual performance bonus/incentive. This refers to basic rewards for employment and employees' 13th cheques and therefore has been grouped under the theme Remuneration. For Remuneration "salary/wages" had a higher mean score of 4.68 than "annual bonus" that had a mean score of 4.59.

Table 10: Factor seven		
Remuneration	**Description**	**Mean**
SAL	Salary/Wages	4.68
PERFORMBONUS	Annual performance bonus/incentive	4.59

Factor eight: Non-statutory benefits

This factor includes items that are concerned with medical aid benefits through a scheme, and retirement benefits (provident fund, financial advice etc.)This refers to monetary benefits normally contributed to by both the employee and the employer therefore have been grouped under the theme Non-Statutory Benefits. For the Non-statutory benefits "retirement benefits" was rated more important with a mean score of 4.77 than "medical aid benefits" with a mean of 4.58.

Table 11: Factor eight		
Non-statutory Benefits	**Description**	**Mean**
RETIRE	Retirement benefits (Provident fund, Financial advice etc.)	4.77
MEDICAL	Medical aid benefits through a scheme	4.58

Appendix F shows the scree plot indicated a clear break after the first component.

In this sector we have identified eight factors that capture reward preferences. Further analysis of importance of the preferences will be carried into the following section.

4.3 Summary of Rewards

Further analysis identified the order of importance of the rewards, that is, which factors respondents rated more important than others. The means were calculated for the different

questions and averaged for the different questions that loaded into the eight factors. The results of the summary of rewards are shown in Table 12: Non-statutory benefits, Remuneration and Work Environment are the most important rewards in that order followed by Performance, Career Benefits and Personal growth. Flexible working hours and Family are the least most important reward factors.

Table 12: Summary of Rewards

Impact on rewards importance	Factor	Mean
	Non statutory benefits	4.67
	Remuneration	4.63
	Work environment	4.49
	Performance related	4.38
	Career benefits	4.32
	Personal growth	4.31
	Flexible working conditions	3.84
	Family	3.67

This shows the shift from remuneration that it is no longer the most important reward category as found by Zingheim (2001) which states that it is becoming increasingly evident that people work for more than pay. The age of the workforce as shown in the descriptive statistics revealed the majority of the respondents are in the middle aged group, this could be a reason for this result as generally the older an individual gets the more important retirement and medical aid become. Almost similar Snelgar *et al*. (2013) found that base pay followed by contingency pay and benefits were the most import reward factors. Benefits seem to be a common choice among the first top three reward categories. An article done by Tough Nickel on employee benefits highlighted this when stated that endless mixes of employee benefits such as healthcare and life insurance, profit sharing, employee stock ownership plans (ESOPS), exercise facilities, subsidized meal plans, and more have been used by companies in their efforts to maintain happy employees (Kelsey, 2013). Similarly Young (2016) in the EY reward survey found around 58 percent of employees at the junior and middle cadres said that they are willing to forego some cash in hand while in employment for improved retirement security, this number stood at 49 percent for employees in the senior cadre.

4.4 MANOVA

The MANOVA was performed to investigate the overall impact of the biographical variables on the eight reward preferences identified in the factor analysis. The ten independent variables used were gender, age, race, relationship status, education, number of members in a household, gross income, job level, job area, and the time worked for the company. The dependent variables are the eight reward factors identified in the Factor analysis. The Model used attempts to explain rewards was based on the following formula:

Rewards = Intercept+Gender X_1+Age X_2 +Race X_3+REL X_4+EDU X_5+MEMBERS X_6+INCOME X_7+ JOB X_8+JOBAREA X_9+ LONG X_{10}.

The Sig level of Wilks Lambda should be <0.05 (for a 95% confidence level) and the results of the regression are in Appendix G. The results show that there is a significant difference in terms of the race groups ($p<0.05$) and the job level ($p<0.10$) in terms of reward preferences. This means there are significant differences in terms of the race group and job levels in terms of what their preferred reward preferences are.

4.4.1 Test between subjects

If you obtain a significant result on the multivariate test of significance, this gives you permission to investigate further in relation to each of your dependent variables. This information is provided in the test between subjects effects (Pallant, 2013). Table 13 shows the results that were significant as all the relationships between the variables were tested. In terms of gender there are significant differences as to how each gender considers the importance of Work environment. For racial groups there are differences on how they rate Personal growth, Career benefits, and Family. For the different categories of relationship statuses there are differences as to how each category considers the importance of Performance. In terms of the respondents level of education there are differences on how they

rate Career benefits and Family. In terms of the number of household members for the respondents there are differences on how they rate Work environment and Non-statutory benefits. In terms of job level there are significant differences on how respondents rated Career benefits. And lastly in terms of the time the respondents worked for the company there are significant differences on how they rate Work environment and Family. The specific reward differences can be further explored by performing an ANOVA analysis.

Table 13: Test between subjects

	Dependent Variable	F	Sig.
Gender	Workenvironment	9.034	0.004
Race	Persgrowth	2.984	0.036
	Careerbenefits	2.724	0.05
	Family	2.32	0.081
Relationship status	Performance	3.131	0.049
Level of education	Career benefits	3.306	0.042
	Family	2.857	0.063
Nr of household members	Workenvironment	2.829	0.044
	Nonstatutory benefits	3.093	0.031
Job level	Career benefits	2.743	0.034
Time worked for the company	Work environment	3.005	0.035
	Family	2.177	0.097

4.5 ANOVA

The study also attempted to determine whether certain demographics variables had differences in terms of rewards. The summary of the ANOVA are in Table 14. The results show in terms of race that black employees and coloured employees rate Career Benefits as more important than indians and whites; coloureds and blacks view Family as more important than indians and whites and indians and blacks view Personal growth as more important than coloureds and whites. Similarly Bussin and Nzukuma (2011) found that african black senior managers prefer for their career development, to job hop among companies in order to become experts in their field rather than to rely on organisations. Also Nienaber *et al*. (2011) found that black respondents (African, Indian and Coloured) indicated significant higher mean score for both financial and non-financial rewards than white respondents. Other research

among others Rajkumar (2015) found black respondents value variable pay long term extrinsic reward components more and coloureds and indians respondents have indicated significantly lower mean preference scores than the white respondents in both extrinsic and intrinsic reward categories with coloured and indians valuing salary as most important.

The study also revealed the higher the qualification then Career Benefits are more important whereas the lower the qualification Family is more important. This makes sense as career benefits involve questions relating to increase your level of education such as “study leave for further studies” and “bursaries/funding for tertiary education”. Similarly, Nienaber *et al*. (2011) found the lower the level of education the higher the mean score for both financial and non-financial rewards.

For job level graduates and intermediate staff viewed Career Benefits as more important than managers and supervisors. This could be because lower level employees still have to progress in the workplace and Career benefits include questions such as ‘career path planning aligned with personal interest” and “constructive feedback on my performance “. Similarly research by Snelgar *et al*. (2013) found that job administrative and junior management level employees has a high preference for benefits; Nienaber *et al*. (2011) found as employees get higher job positions they have a lower mean for both financial and non-financial rewards and Bussin and Toerien (2015) found managers and executive positions do not view training supplied by the employer as very important.

In terms of gender females rated Work environment as more important than males. This would make sense as Work environment contains the question “working flexible work hours” and as the primary caregivers of the house holding flexibility can be expected to be very important to women. Similar Snelgar *et al.* (2013) found that base pay, a quality work environment and work home integration are valued more by women than men; Rajkumar (2015) found males view salary and variable pay short term more important than females and that females rated quality work environment to be more important than males. It is thus clear

that Work environment is important for women as they need to be more flexible than men. Nienaber *et al.* (2011) found women have a stronger preference for both financial and non-financial rewards.

The longer the respondents worked for the company the more important the Work environment and Family is. This could be because employees that have worked long at a company are prioritizing their family and want the flexible hours of work environment. On the contrary Nienaber *et al*. (2011) found that employees that have worked for the company for a long time does not have a strong preference for non-financial rewards. Bussin and Toerien (2015) found that employees that have worked for the organisation for a long time have a low preference for employer supplied training.

Rajkumar (2015) found respondents that were separate/divorced/widowed viewed extrinsic financial rewards as important. This corresponds to the findings in this study that divorcees value bonus allocations higher than other relationship status groups.

Bussin and Toerien (2015) found in terms of age that younger employees viewed development and training by both themselves and their employer as important. Older employees regard base pay as more important than younger employees in the age group 18-29 years. Younger employees believe that work integration is important. Nienaber *et al.* (2011) found that for both financial and non-financial rewards the respondents in the age group 18-38 years indicated the highest mean preference score and the mean preference score progressively lowered as the respondents got older. Similarly, Rajkumar (2015) found as the younger the employee the less important salary is. This study found no significant difference between age and rewards. This also supports the literature that rewards are not based on generational profile or even age.

Table 14: ANOVA Results			
Reward category by biographical variable	**Sub category**	***n***	**Mean**
Career benefits by race	Black	42	4.52
	Coloured	31	4.42
	Indian	12	4.27
	White	30	3.95
Career benefits by education level	Post-graduate	42	4.39
	Diploma/ Degree	63	4.3
	Matric	10	4.12
Career benefits by job level	Graduate Trainee	1	4.8
	Staff – Intermediate	21	4.5
	Staff - Senior	61	4.33
	Manager	6	4.27
	Specialist/Supervisor	26	4.12
Work environment by gender	Female	49	4.72
	Male	66	4.31
Work environment by household members	Two	27	4.6
	Four+	45	4.59
	Three	28	4.31
	One	15	4.3
Work environment by time worked for the company	10 years+	58	4.53
	4-10 years	31	4.46
	0-2 years	12	4.44
	2-4 years	14	4.41
Family by race	Coloured	31	3.98
	Black	42	3.76
	Indian	12	3.58
	White	30	3.27
Family by education level	Matric	10	4.03
	Diploma/ Degree	63	3.75
	Post-graduate	42	3.46
Family by time worked for the company	10 years+	58	3.83
	4-10 years	31	3.65
	2-4 years	14	3.54
	0-2 years	12	3.12
Personal growth by race	Indian	12	4.72
	Black	42	4.41
	Coloured	31	4.34
	White	30	3.98
Performance by relationship status	Divorced	4	4.92
	Married/Living together	80	4.41
	Single	31	4.22
Non statutory benefits by household members	Three	28	4.86
	Two	27	4.7
	One	15	4.6
	Four+	45	4.57

4.6 Principle Component Analysis

The Principle Component Analysis was done to answer the research question which of the reward categories has an impact on an organisation's ability to attract, retain and motivate staff. The results of the Principle Component Analysis are shown in Appendix H. Three different sets of analysis were carried out. It was found that in all cases only one component was extracted meaning that the six questions asked can all be deemed to be able to elicit the capacity of an organisation to attract, retain and motivate its employees. The summary of the results of the Principle Component Analysis are shown in Table 15:

Table 15: The impact of the reward categories on organisation's ability to attract, retain and motivate

Area of impact	Factor	Component matrix
Attract	Remuneration	0.918
	Performance recognition and career management	0.898
	Benefits	0.889
	Variable Pay	0.848
	Work/home integration	0.791
	Quality work environment	0.686
Retain	Performance recognition and career management	0.898
	Remuneration	0.896
	Variable Pay	0.871
	Benefits	0.868
	Work/home integration	0.757
	Quality work environment	0.721
Motivate	Remuneration	0.882
	Variable Pay	0.88
	Benefits	0.866
	Work/home integration	0.83
	Performance recognition and career management	0.825
	Quality work environment	0.669

Table 15 shows that to attract and retain Remuneration and Performance recognition and career management are the two most important reward categories. To motivate Remuneration and Variable pay are the two most important reward categories. This corresponds slightly to

the results in table twelve which ranked Remuneration as the second most important factor when respondents were asked to rate the factors they viewed as most important.

This supports research conducted by Snelgar *et al*. (2013) that also found for attracting and retention base pay is the most important category. Their study also found for motivation the most important reward was Performance and career management. The two studies further correspond in that for retention the top two categories are similar Performance recognition and career management and of all three categories Quality work environment was found to be the least important. This highlights the fact that for retention other than Remuneration, Performance management and career recognition is an important factor as people value growth and recognition. Performance recognition and career management is evidently very important and this should be especially pleasing to companies as this reward is not linked to money, thus they can retain staff and it would not cost them financially. Other researched by Bussin and Toerien (2015) found that base pay and incentives and bonuses were ranked the most important on all three categories and Rajkumar (2015) found that salary, benefits and variable pay are the most important rewards for attraction, retention and motivation, these three elements showed the same results for motivation in this study.

It is clear from the above that remuneration is still a very important factor for organisations to consider when thinking about attracting, motivating and retaining staff. Variable pay seems to surface in most studies as an important factor for motivating employees. This could be because for most companies performance bonuses are linked to staff performance.

Problems with comparing these finds to other studies can happen because of the groupings of the factors. This is highlighted by Bussin and Toerien (2015) who claims that there is conflicting results between studies on the differences of reward preferences .This is because of a range of factors that include the measuring instrument, the different groupings of rewards and their items and lastly the industry and target population. (Bussin & Toerien, 2015; Horwitz, Heng, & Quazi, 2003).

4.8 Analysis of reward preferences open ended questions

In the last two open ended question respondents were requested to choose which two rewards other than salary that they would prefer and to identify which factors affect their reward choices. Table 16 and Table 17 summarize the responses. The tables below were compiled based on the number of responses. The results of the analysis of the reward preferences open ended question one are shown in Table 16: Benefits was rated the most important reward as both a first and second preference. The second most important reward for first preference is Variable pay with Performance Recognition and Career Management as the second most important reward as a second preference. This corresponds with Table 12 where Non-statutory Benefits were the reward rated most important to respondents. For the second open ended question Family needs was revealed as the most important factor that affect an employee's reward choice followed by Economic Situation. As a second choice economic situation was the first choice for respondents. This contrast to Table 12 where family was ranked the least important factor in the order of rewards importance.

Table 16: Importance rewards other than salary

	1st preference		**2nd preference**	
	n	**%**	***n***	**%**
Benefits	**40**	35	**54**	47
Variable pay	**35**	30	12	10
Performance recognition and career management	19	17	**19**	17
Work/home integration	15	13	13	11
Other	6	5	15	13
Quality workenvironment	0	-	2	2

Table 17:Factors influencing reward choices

	1st preference		**2nd preference**	
	n	**%**	**n**	**%**
Family	**54**	47	21	18
Economic situation	**32**	28	**47**	41
Lifestyle	19	17	19	17
Other	10	9	**28**	24

4.9 Summary of Results

The statistical analysis started with a descriptive analysis of the sample.

This was followed by a Factor Analysis to identify reward factors that could explain the reward preferences of employees. The Factor Analysis identified eight factors with common latent rewards namely Career benefits, Work environment, Family, Personal growth, Flexible working conditions, Performance, Remuneration and Non-Statutory benefits. The mean scores for the 42 questions were calculated and averages were computed for the eight factors into which they loaded. The factors that were rated most important were Non-statutory benefits followed by Remuneration and Work environment. The factors that were rated least important were Flexible work conditions and Family. For the different factors the following question results were found:

For Career benefits “constructive feedback on performance” showed the highest mean score and “bursaries/funding for tertiary qualification” showed the lowest mean score; For Work environment “personal safety and security in the workplace” showed the highest mean score while “the ability to work flexible working hours” showed the lowest mean score; For Family “subsidised tuition for employees children” showed the highest mean score while “an allowance/subsidy to care for an employee’s financially dependent parents” showed the lowest mean score; For Personal growth, “growth opportunities” showed the highest mean score while “a coach or mentor in the workplace” showed the lowest mean score; For Flexible working conditions “the ability to log into the employers network from home” showed the highest mean score while ”phased return to work after maternity/paternity leave” showed the lowest mean score; For Performance related “merit increases linked to personal performance” and “bonus allocations linked to personal performance” showed the same mean value and was more than “a performance contract with agreed objectives”; For Remuneration “salary/wages” showed a higher mean score than “annual performance bonus/incentive” and lastly Non statutory benefits “retirement benefits” showed a higher mean score than “medical

aid benefits through a scheme". All these factors are independent of the other one and were grouped into themes. Sixteen questions did not load into any factor.

Following on this MANOVA was conducted to investigate the overall impact of the biographical variables of: gender, age, race, relationship status, education, number of members in a household, gross income, job level, job area and the time worked for the company on reward preferences. Significant differences between race and job level was found in terms of reward preferences. To see how each biographical variable differed across reward factors test between subjects were calculated. This showed that there was a powerful relationship between gender and Work environment followed by the number of household members and Non-statutory Benefits; job level and Career Benefits; time worked for the company and Work environment and race and Personal growth which had more or less the same level of significance. The least significant relationship was between the time the respondents worked for the company and Family.

The ANOVA further revealed that for the significant relationships mentioned above females rated the Work environment as more important than males. Where the number of household member were three or two they rated Non-statutory benefits more important than the households that had one or four plus members. For Career benefits by job level the lower the staff level the more important the Career benefits was. Employees who have worked longer for the company rated Work environment more important than employees that have worked less years for the company. Indians and blacks rated Personal growth more important than coloureds and whites. The longer the respondents worked for the company the more important Family is.

Principle Component was done to answer the research question, which of the reward categories has an impact on the organisations ability to attract, retain and motivate staff? The results showed that attraction and retention had the same top two most important factors of Remuneration and Performance recognition as well as the same two factors that were least

important which was Work/home Integration and Quality work environment. Motivation's top two most important factors were Remuneration and Variable pay and the least important were Performance recognition and career management and Quality work environment. Quality work environment was the factor that was least important across all three categories.

In the two open ended questions respondents were requested to choose which two rewards other than salary that they would prefer and to identify which factors affect their reward choices. The responses were captured based on the number of respondents. The reward that was most important both as a first and second preference were Benefits. Family was chosen as a first preference for factors that affect an employee's reward choice, with Economic situation as the second factor.

Chapter 5: Conclusion

The main findings of the study will be summarized in this chapter followed by recommendations for employers and future research suggestions.

5.1 Summary of the main findings

Based on the mean scores for the eight factors identified Non statutory benefits (medical aid and retirement funds) followed by Remuneration were the two most important factors for staff. This is in line with previous findings from Zingheim (2001) where he states that salary is no longer the most important factor for staff. Similarly Snelgar *et al*. (2013) found that benefits were among the top three preferred rewards. Family was rated the least important. Race and Job level were the two demographic variables that had the significant differences in terms of reward preferences.

In terms of attraction and retention Remuneration and Performance Recognition were the two factors that attracted and retained staff and for motivation it was Remuneration and Variable Pay. Across all three categories a Quality work environment was deemed the least important factor. These results agree with the findings by Snelgar *et al*. (2013). They found that base pay was the most important category for attraction and retention.

5.2 Recommendations for employers

This study provided a better understanding of the company's employees reward preferences and the organization can use this data as a guide in constructing a rewards preference policy that will be valued by their staff.

It is recommended that managers in other organisations review their rewards policies to firstly ensure they encompass Total Rewards and not only traditional rewards as defined in this study. They should then compare this to the rewards preferences of their employees. Companies should do a reward preference survey of what the company's employees deem

important as different employees have different demographic factors and thus different rewards preferences. This should be done at least annually as employees preferences will change over time.

5.3 Limitations of this study

This study was performed in one automotive production company and can thus not be generalized to other companies or sectors. Also, as already mentioned, this report captured the reward preferences of employees at the time the study was performed, and reward preferences are known to change over time.

5.4 Suggested for future research

Further research should be done on similar companies and in the same sector to identify if the employees have similar or different reward preferences. Not a lot of research was found on race reward preferences as it stood out in this study as having a significant difference relating to rewards. It is thus an area that could be further researched in South Africa especially as we are such a diverse country with multiple race groups and even more cultures.

5.5 Concluding statements

This study concurred with a lot of the literature that states that reward preferences depend on employees' different demographic characteristics. Employers are also realizing that they can't merely mimic the reward practices of other organizations (Gross & Friedman, 2004). Thus the Total Reward packages offered by organisations must be tailor made to make provision for the distintinctiveness of the different employees in the labour pool of the South African market. (Kaplan, 2005; Rajkumar, 2015).

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APPENDIX A – Reward Preference Questionnaire

REWARD PREFERENCE QUESTIONNAIRE

Section A: Demographic Information

Section B: Reward Preferences

		Reward preferences								
1	Gender	Male		Female						
2	Age	18-28		29-38		39-48		49-59		60+
3	Racial group	White		Black		Indian		Coloured		
4	Marital status	Married/ Living together		Single		Divorced		Separated		Widowed
5	Level of education	Matric		Diploma / Degree		Post-graduate		Other: specify		
6	How many members do you have in your household?	One		Two		Three		Four+		
7	Household income per month?	>R15000		R15000-R19999		R20000-R29999		R30000-R39999		R40000+
8	What job level best describes your current position?	1. Graduate Trainee		3. Staff - Senior		5. Manager				
		2. Staff – Intermediate		4. Specialist/Supervisor		Other: Specify				
9.	In what area does your current position fit?	1. Human Resources		4. Administrative		7. Purchasing				
		2. NSO		5. Finance/IS		8. Product Engineering/Product Management				
		3. Quality Assurance		6. Production/ Logistics						
		Other: Specify								
10	How long have you been working for your current employer?	0-2 years		2-4 years		4-10 years		10 years+		

1. Please indicate to what extent the following statements below are: a) Important to you and		Not important at all	Unimportant	Neutral	Important	Extremely important
1.1	Salary/wages	1	2	3	4	5
1.2	Annual performance bonus/incentive	1	2	3	4	5
1.3	Allocation of shares or share options	1	2	3	4	5
1.4	Medical aid benefits through a medical aid scheme	1	2	3	4	5
1.5	Retirement benefits (Provident fund, Financial advice etc.)	1	2	3	4	5
1.6	Disability benefits	1	2	3	4	5
1.7	Study leave for further studies	1	2	3	4	5
1.8	Sabbatical leave for professional development or research	1	2	3	4	5
1.9	A dedicated parking bay at work	1	2	3	4	5
1.10	Regular communication sessions about business progress with my	1	2	3	4	5
1.11	Constructive feedback on my performance	1	2	3	4	5
1.12	To rotate and experience different types of jobs	1	2	3	4	5
1.13	Growth opportunities (Career Development, Training, Promotion)	1	2	3	4	5
1.14	A coach or mentor in the workplace	1	2	3	4	5
1.15	Informal recognition for a job well done (e.g. a thank you note)	1	2	3	4	5
1.16	Formal recognition for a job well done (e.g. a fully paid trip	1	2	3	4	5
1.17	A performance contract with agreed objectives	1	2	3	4	5

	Reward Preferences

		Not important at all	Unimportant	Neutral	Important	Extremely important
1.18	Bursaries/funding for tertiary qualifications	1	2	3	4	5
1.19	A good working relationship with colleagues	1	2	3	4	5
1.20	A comfortable work environment	1	2	3	4	5
1.21	A fitness centre at my place of work	1	2	3	4	5
1.22	A convenience store at my place of work	1	2	3	4	5
1.23	Personal safety and security in the workplace	1	2	3	4	5
1.24	Quality co-workers in my team	1	2	3	4	5
1.25	Subsidised tuition for employees' children	1	2	3	4	5
1.26	The ability to work flexible working hours	1	2	3	4	5
1.27	Merit increases linked to personal performance	1	2	3	4	5
1.28	A market related salary	1	2	3	4	5
1.29	Remuneration structured according to employees' own needs	1	2	3	4	5
1.30	Increases linked to inflation	1	2	3	4	5
1.31	Bonus allocations linked to personal performance	1	2	3	4	5
1.32	Bonus allocations linked to a team's performance	1	2	3	4	5
1.33	Financial assistance to buy a house	1	2	3	4	5
1.34	Total control over work methods without a manager's interference	1	2	3	4	5
1.35	Career path planning aligned with employees' personal interests and	1	2	3	4	5

Reward Preferences

		Not important at all	Unimportant	Neutral	Important	Extremely important
1.36	A challenging job that test employees' abilities	1	2	3	4	5
1.37	An international secondment	1	2	3	4	5
1.38	Holiday programs for the children of employees	1	2	3	4	5
1.39	An allowance/subsidy to care for an employee's financially dependent parents	1	2	3	4	5
1.40	The ability to log into the employer's network from home	1	2	3	4	5
1.41	A laptop and 3G card	1	2	3	4	5
1.42	Phased in return to work after maternity/paternity leave	1	2	3	4	5

		Attract					Retain					Motivate				
2.	Please indicate the extent to which each of the following six reward categories has an impact on an organisation's ability to attract, retain and motivate you.	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
2.1	Monthly salary/ Remuneration	5	4	3	2	1	5	4	3	2	1	5	4	3	2	1
2.2	Variable pay (bonus. long term incentive	5	4	3	2	1	5	4	3	2	1	5	4	3	2	1
2.3	Benefits (e.g. medical aid/retirement fund/leave)	5	4	3	2	1	5	4	3	2	1	5	4	3	2	1
2.4	Performance recognition and career management	5	4	3	2	1	5	4	3	2	1	5	4	3	2	1
2.5	Quality work environment (e.g. on-site fitness centre, latest technology)	5	4	3	2	1	5	4	3	2	1	5	4	3	2	1
2.6	Work/home integration (e.g. flexible working hours, half-day leave, ability to work from home)	5	4	3	2	1	5	4	3	2	1	5	4	3	2	1

3.	**Please answer the following questions:**

3.1	If you could choose, what two rewards (in order of importance, and excluding salary) would you include in your total reward package?	
	3.1.1	
	3.1.2	
3.2	What are the two most important factors (e.g. your lifestyle, economic situation, family etc.) that affect your reward choices?	
	3.2.1	
	3.2.2	
Thank you for completing this questionnaire.		

APPENDIX B – Letter of Consent

Good day

My name is Audra van Rooyen and I am currently completing my Master's degree in Accountancy. I am being supervised by Andres Merino who is the Division Head of Management Accounting and Finance, School of Accountancy, University of the Witwatersrand.

I would like to invite you to participate in my research project titled: An empirical study of staff reward preferences in a South African automotive manufacturing company. The research could inform the future development of policies to attract, motivate and retain employees in a South African context.

Participation will involve completing a questionnaire consisting of demographics and reward preferences. Participation is entirely voluntary and the questionnaire should take no longer than 15 minutes to complete. You may withdraw from participation at any time during completion of the questionnaire without any penalty. The responses of the participants will remain anonymous. If you were to decide not to participate in this study there are no adverse consequences in doing so.

Participants will be able to access the questionnaire on-line through SurveyMonkey. Choosing to begin and/or complete the above-mentioned questionnaires will serve as informed consent. Only I and my supervisor will have access to the raw data which will be stored on a password protected computer. Feedback of specific, personal results is not possible due to anonymity. My email address and cell phone number are provided below in case you would like to receive any further clarifications in terms of the research project.

Thank you for taking time to consider this invitation. Your participation would be greatly appreciated.

Researcher contact details:

Audra van Rooyen Tel: 0609660538. Email: 1529155@students.wits.ac.za

Andres Merino (Supervisor) Tel: 011 717 8059 Email: andres.merino@wits.ac.za

The following information will be displayed on the first page of the SurveyMonkey questionnaire.

RESEARCH PROJECT TITLE: An empirical study of staff reward preferences in a South African automotive manufacturing company
RESEARCHER: Audra van Rooyen
INSTITUTION: University of the Witwatersrand

I hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire. If you agree with participating in the questionnaire please proceed to the next page.

APPENDIX C - Item-Total Statistics

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
SAL	167.904347799	313.578	.429	.	.925
PERFORMBONUS	167.991304300	311.342	.506	.	.925
SHARES	168.843478300	307.379	.440	.	.925
MEDICAL	168.000000000	314.193	.302	.	.926
RETIRE	167.817391300	316.975	.339	.	.926
DISAB	168.321739100	306.606	.529	.	.924
STUDY	168.347826100	305.738	.530	.	.924
PAIDLEAVE	168.339130400	305.314	.555	.	.924
PARK	170.156521699	305.537	.358	.	.927
COMM	168.347826100	310.562	.449	.	.925
FEED	167.982608700	310.701	.578	.	.924
ROTATE	168.408695699	308.981	.472	.	.925
GROWTH	167.921739100	314.511	.441	.	.925
MENTOR	168.478260899	306.690	.546	.	.924
INFORMAL	168.469565200	307.988	.453	.	.925
FORMAL	168.756521699	303.888	.479	.	.925
PERFCONTRACT	168.339130400	312.770	.390	.	.925
FUND	168.408695699	302.805	.599	.	.923
GOOD	168.104347800	310.971	.485	.	.925
COMFORT	168.121739099	311.055	.514	.	.924
FIT	169.356521700	303.617	.475	.	.925
STORE	169.478260899	303.445	.482	.	.925
SAFE	168.008695700	311.412	.459	.	.925
COWORK	168.217391300	313.189	.417	.	.925
SUBCHILDREN	168.556521700	305.898	.505	.	.924
FLEXI	168.147826100	307.443	.553	.	.924
MERIT	168.139130400	313.384	.442	.	.925
MARKETSAL	167.947826100	314.541	.349	.	.926
STRUCPACK	168.573913000	304.633	.565	.	.924
INFL	168.139130400	312.173	.358	.	.926
BONUSPER	168.139130400	313.331	.371	.	.925
BONUSTEAM	168.973912999	305.991	.452	.	.925
FINHOUSE	168.486956500	304.147	.513	.	.924
CONTROL	168.582608699	312.298	.399	.	.925
PATH	168.252173900	309.313	.562	.	.924
CHALLENGE	168.182608700	311.659	.546	.	.924
INTERNAT	168.895652200	304.498	.450	.	.925

HOLPROGRAM	169.347826100	299.703	.599	.	.923
PARENTS	169.165217400	301.192	.554	.	.924
HOME	168.565217400	305.371	.447	.	.925
LAPTOP	168.669565200	306.925	.388	.	.926
MATPAT	169.000000000	301.263	.557	.	.924

APPENDIX D - Total Variance Explained

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Factor	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.170	26.596	26.596	10.790	25.691	25.691	3.503	8.340	8.340
2	2.805	6.678	33.274	2.525	6.012	31.703	3.423	8.150	16.490
3	2.597	6.183	39.457	2.259	5.378	37.080	2.752	6.554	23.043
4	2.145	5.108	44.564	1.747	4.160	41.241	2.739	6.521	29.565
5	2.046	4.871	49.435	1.675	3.989	45.230	2.702	6.435	35.999
6	1.792	4.266	53.701	1.429	3.402	48.632	1.846	4.395	40.394
7	1.514	3.606	57.307	1.166	2.777	51.409	1.834	4.367	44.762
8	1.492	3.552	60.859	1.081	2.574	53.983	1.741	4.146	48.908
9	1.257	2.992	63.851	.891	2.120	56.103	1.461	3.479	52.387
10	1.186	2.823	66.674	.751	1.788	57.891	1.459	3.473	55.861
11	1.117	2.659	69.333	.711	1.692	59.583	1.181	2.813	58.673
12	1.026	2.444	71.777	.627	1.493	61.076	1.009	2.403	61.076
13	.917	2.183	73.960						
14	.853	2.030	75.990						
15	.779	1.855	77.845						
16	.715	1.702	79.547						
17	.699	1.664	81.211						
18	.633	1.506	82.717						
19	.614	1.463	84.180						
20	.576	1.373	85.552						
21	.530	1.262	86.814						
22	.491	1.168	87.982						
23	.461	1.098	89.080						
24	.429	1.021	90.102						
25	.416	.990	91.092						
26	.376	.896	91.987						
27	.356	.849	92.836						
28	.331	.787	93.623						
29	.305	.727	94.350						
30	.288	.685	95.035						
31	.281	.669	95.704						
32	.258	.614	96.317						
33	.242	.576	96.893						
34	.213	.507	97.400						
35	.195	.463	97.863						
36	.184	.438	98.301						
37	.174	.414	98.716						

38	.149	.356	99.071						
39	.140	.333	99.404						
40	.106	.252	99.656						
41	.077	.184	99.840						
42	.067	.160	100.000						

Extraction Method: Principal Axis Factoring.

APPENDIX E - Rotated Factor Matrix

Rotated Factor Matrix[a]

	Factor											
	1	2	3	4	5	6	7	8	9	10	11	12
SAL	.092	.050	.082	.173	.110	.079	.860	.142	.047	.164	.091	.047
PERFORMBONUS	.233	.089	.159	.186	.174	.092	.706	.208	.072	-.012	.060	-.004
SHARES	.190	-.080	.339	.274	.264	.040	.030	.112	.048	.062	-.007	.396
MEDICAL	.031	.076	.072	.269	-.042	-.030	.096	.753	.039	-.013	.037	.163
RETIRE	.348	.099	.025	-.093	.047	.065	.122	.701	.081	-.001	.012	-.132
DISAB	.428	.091	.386	.168	.199	.104	-.053	.342	-.056	-.101	.097	-.147
STUDY	.637	.173	.036	.148	.099	-.006	.091	.114	.242	.014	.190	-.052
PAIDLEAVE	.716	.122	.140	.189	.054	.034	.081	.051	.104	.082	.068	.125
PARK	.172	.111	.238	-.050	.062	-.010	.117	.010	.012	.530	.028	-.036
COMM	.481	.298	.024	.196	.229	.026	-.055	.043	-.275	.251	-.032	-.031
FEED	.521	.102	.035	.504	.266	.265	.164	-.058	.050	-.036	.011	-.175
ROTATE	.203	.032	.178	.580	.058	.120	.082	.122	-.071	.063	.138	.103
GROWTH	.259	.149	-.053	.649	.079	.070	.191	.015	-.019	-.080	.271	-.124
MENTOR	.163	.225	.180	.667	-.014	-.022	.091	.152	.143	.142	-.023	.145
INFORMAL	.041	.396	.068	.342	.112	.145	-.277	.148	.091	.328	.204	-.343
FORMAL	.004	.136	.097	.385	.058	.169	.123	-.030	.271	.510	.070	.028
PERFCONTRACT	.275	.036	.028	.326	.020	.417	.228	-.047	.061	.023	-.035	.248
FUND	.710	.093	.183	.142	.025	.155	.124	.153	.130	.087	.064	.159
GOOD	.238	.817	.032	.049	-.074	.106	-.108	.069	.163	.096	.098	.108
COMFORT	.239	.800	.090	.071	-.116	.053	.146	.086	.073	.118	.043	.144
FIT	.213	.258	.237	.152	.336	-.167	-.168	.030	.002	.315	.108	.069
STORE	-.043	.342	.131	.077	.390	-.039	.006	.034	.200	.479	.046	.232
SAFE	.098	.655	.153	.268	-.021	.180	.003	.015	.125	.063	-.088	-.327
COWORK	.135	.411	.116	.202	.088	.347	.031	.135	-.213	-.014	.061	.010
SUBCHILDREN	.362	.030	.539	-.062	.149	.065	.122	.175	.115	.015	.109	-.116
FLEXI	-.001	.543	.240	.137	.230	.076	.263	.003	.061	.143	.151	-.016
MERIT	.028	.195	.192	.140	.147	.683	.130	.075	-.164	-.022	.232	.152
MARKETSAL	-.005	.122	.275	.051	-.054	.312	.170	.483	-.074	.090	.022	-.011
STRUCPACK	.149	.190	.569	.142	.190	.172	-.002	.021	.020	.195	-.012	.016
INFL	-.041	.473	.348	-.073	.047	.024	.067	.219	-.006	.102	.070	-.260
BONUSPER	.083	.104	.127	.017	.176	.668	-.017	.088	.135	.050	.039	-.134
BONUSTEAM	.282	.104	.132	.017	.207	.106	.032	.059	.562	.132	-.022	.048
FINHOUSE	.237	.210	.312	.104	.044	-.177	.106	.027	.630	.132	.217	-.054
CONTROL	.244	.093	.184	.031	-.108	.235	.042	-.006	.237	.235	.311	-.028

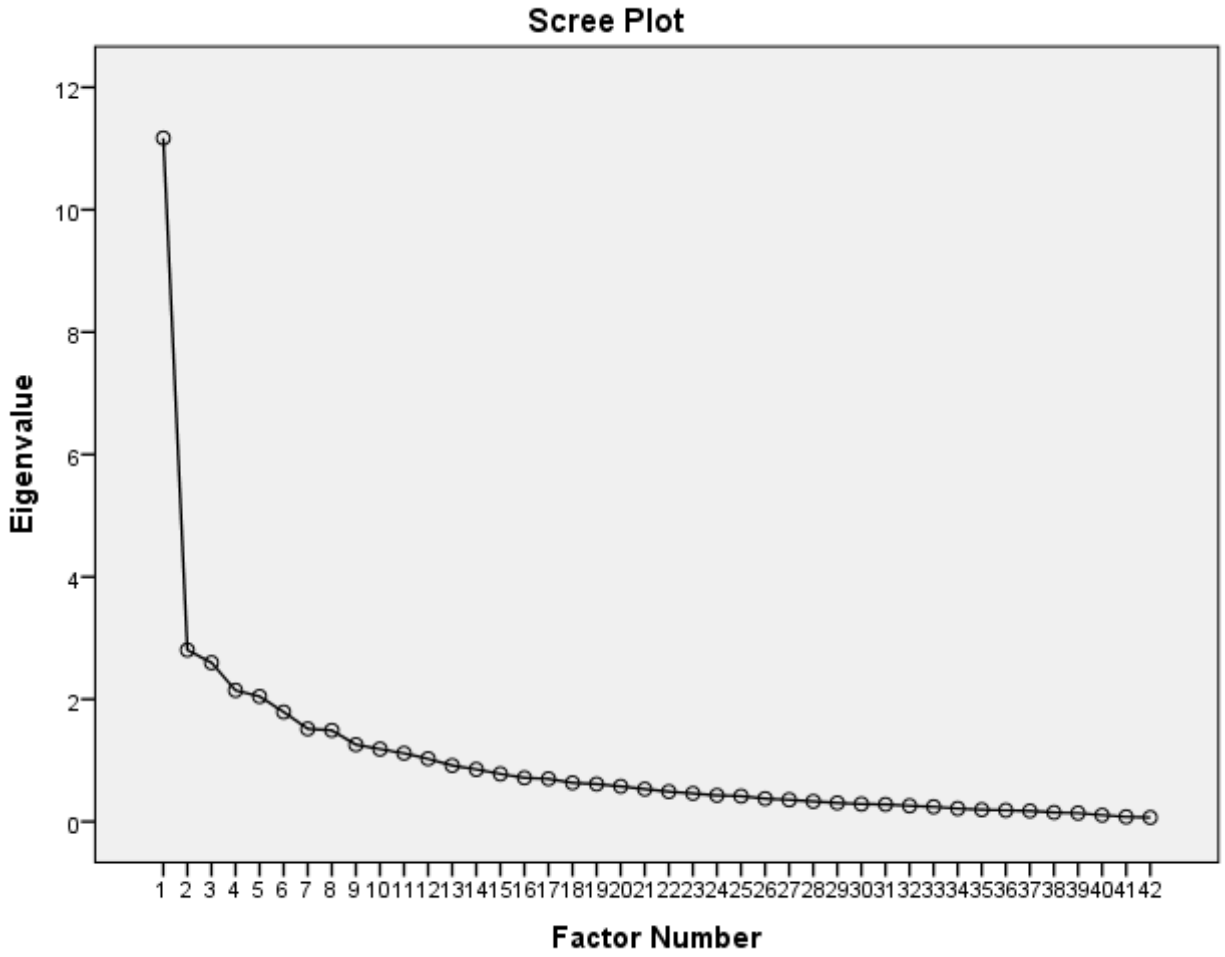
PATH	.497	.071	.133	.323	.002	.025	.088	.070	.163	.124	.406	.030
CHALLENGE	.249	.128	.130	.259	.160	.182	.117	.057	.046	.039	.659	.013
INTERNAT	.158	.096	.171	.281	.155	.104	.045	.043	.026	.127	.248	.293
HOLPROGRAM	.131	.202	.589	.176	.124	.122	.037	.074	.210	.088	.078	.222
PARENTS	.006	.138	.691	.124	.010	.128	.166	.070	.131	.253	.126	.050
HOME	.148	-.055	.110	.045	.842	.190	.148	-.006	.066	.052	.090	.015
LAPTOP	.068	-.077	.097	.045	.912	.106	.115	-.014	.016	.123	.037	.002
MATPAT	.091	.309	.397	.110	.507	.081	.033	-.010	.315	-.101	-.045	.125

Extraction Method: Principal Axis Factoring.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 18 iterations.

APPENDIX F - Scree Plot



APPENDIX G – MANOVA

Multivariate analysis

Multivariate Tests[a]

Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared
Intercept	Pillai's Trace	0.057	.559[b]	8	74	0.81	0.057
	Wilks' Lambda	0.943	.559[b]	8	74	0.81	0.057
	Hotelling's Trace	0.06	.559[b]	8	74	0.81	0.057
	Roy's Largest Root	0.06	.559[b]	8	74	0.81	0.057
Gender	Pillai's Trace	0.156	1.712[b]	8	74	0.11	0.156
	Wilks' Lambda	0.844	1.712[b]	8	74	0.11	0.156
	Hotelling's Trace	0.185	1.712[b]	8	74	0.11	0.156
	Roy's Largest Root	0.185	1.712[b]	8	74	0.11	0.156
Age	Pillai's Trace	0.394	1.052	32	308	0.4	0.099
	Wilks' Lambda	0.652	1.057	32	274.49	0.39	0.102
	Hotelling's Trace	0.468	1.06	32	290	0.39	0.105
	Roy's Largest Root	0.269	2.592[c]	8	77	0.02	0.212
Race	Pillai's Trace	0.537	2.07	24	228	0	0.179
	Wilks' Lambda	0.549	2.059	24	215.22	0	0.181
	Hotelling's Trace	0.673	2.038	24	218	0	0.183
	Roy's Largest Root	0.293	2.784[c]	8	76	0.01	0.227
REL	Pillai's Trace	0.155	0.789	16	150	0.7	0.078
	Wilks' Lambda	0.85	.784[b]	16	148	0.7	0.078
	Hotelling's Trace	0.171	0.779	16	146	0.71	0.079
	Roy's Largest Root	0.121	1.139[c]	8	75	0.35	0.108
EDU	Pillai's Trace	0.259	1.392	16	150	0.15	0.129

	Wilks' Lambda	0.755	1.393[b]	16	148	0.15	0.131
	Hotelling's Trace	0.305	1.393	16	146	0.15	0.132
	Roy's Largest Root	0.222	2.077[c]	8	75	0.05	0.181
MEMBERS	Pillai's Trace	0.333	1.187	24	228	0.26	0.111
	Wilks' Lambda	0.699	1.18	24	215.22	0.26	0.113
	Hotelling's Trace	0.387	1.172	24	218	0.27	0.114
	Roy's Largest Root	0.228	2.162[c]	8	76	0.04	0.185
INCOME	Pillai's Trace	0.299	0.777	32	308	0.8	0.075
	Wilks' Lambda	0.727	0.776	32	274.49	0.8	0.077
	Hotelling's Trace	0.343	0.776	32	290	0.8	0.079
	Roy's Largest Root	0.208	2.005[c]	8	77	0.06	0.172
JOB	Pillai's Trace	0.507	1.396	32	308	0.08	0.127
	Wilks' Lambda	0.574	1.393	32	274.49	0.08	0.13
	Hotelling's Trace	0.61	1.382	32	290	0.09	0.132
	Roy's Largest Root	0.254	2.442[c]	8	77	0.02	0.202
JOBAREA	Pillai's Trace	0.557	0.865	56	560	0.75	0.08
	Wilks' Lambda	0.549	0.851	56	403.81	0.77	0.082
	Hotelling's Trace	0.649	0.838	56	506	0.79	0.085
	Roy's Largest Root	0.27	2.701[c]	8	80	0.01	0.213
LONG	Pillai's Trace	0.327	1.164	24	228	0.28	0.109
	Wilks' Lambda	0.701	1.167	24	215.22	0.28	0.112
	Hotelling's Trace	0.386	1.168	24	218	0.27	0.114
	Roy's Largest Root	0.245	2.323[c]	8	76	0.03	0.197

a. Design: Intercept + Gender + Age + Race + REL + EDU + MEMBERS + INCOME + JOB + JOBAREA + LONG

b. Exact statistic

c. The statistic is an upper bound on F that yields a lower bound on the significance level.

d. Computed using alpha = .05

APPENDIX H - Principle Component Analysis

Factor Analysis - ATTRACT

Communalities

	Initial	Extraction
RENUM_ATT	1.000	.843
VARPAY_ATT	1.000	.720
BEN_ATT	1.000	.790
PERF_ATT	1.000	.806
QUAL_ATT	1.000	.471
FLEX_ATT	1.000	.626

Extraction Method: Principal Component Analysis.

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.254	70.901	70.901	4.254	70.901	70.901
2	.728	12.132	83.033			
3	.394	6.560	89.593			
4	.267	4.451	94.044			
5	.243	4.042	98.086			
6	.115	1.914	100.000			

Extraction Method: Principal Component Analysis.

Component Matrixa

	Component
	1
RENUM_ATT	.918
VARPAY_ATT	.848
BEN_ATT	.889
PERF_ATT	.898
QUAL_ATT	.686
FLEX_ATT	.791

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Factor Analysis: RETAIN

Communalities

	Initial	Extraction
RENUM_RET	1.000	.803
VARPAY_RET	1.000	.758
BEN_RET	1.000	.754
PERF_RET	1.000	.806
QUAL_RET	1.000	.519
FLEX_RET	1.000	.573

Extraction Method: Principal Component Analysis.

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.214	70.228	70.228	4.214	70.228	70.228
2	.837	13.953	84.181			
3	.375	6.256	90.438			
4	.251	4.192	94.629			
5	.205	3.416	98.045			
6	.117	1.955	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
RENUM_RET	.896
VARPAY_RET	.871
BEN_RET	.868
PERF_RET	.898
QUAL_RET	.721
FLEX_RET	.757

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Factor Analysis: MOTIVATE

Communalities

	Initial	Extraction
RENUM_MOT	1.000	.778
VARPAY_MOT	1.000	.775
BEN_MOT	1.000	.750
PERF_MOT	1.000	.681
QUAL_MOT	1.000	.447
FLEX_MOT	1.000	.689

Extraction Method: Principal Component Analysis.

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.120	68.673	68.673	4.120	68.673	68.673
2	.709	11.810	80.484			
3	.445	7.417	87.901			
4	.337	5.609	93.510			
5	.241	4.018	97.528			
6	.148	2.472	100.000			

Extraction Method: Principal Component Analysis.

Component Matrixa

	Component
	1
RENUM_MOT	.882
VARPAY_MOT	.880
BEN_MOT	.866
PERF_MOT	.825
QUAL_MOT	.669
FLEX_MOT	.830

Extraction Method: Principal Component Analysis.

a. 1 components extracted.