Investigating Talent Attraction: Perceived Attractiveness of Non-financial Reward Elements by means of an Experimental Design

Nicola Claire Thompson

THMNIC016

Supervisor: Professor Anton Schlechter

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Abstract

Orientation:

The changing nature of work and an increased global need for organisations to remain competitive in the war for scarce skills and talent has influenced the manner in which organisations manage their talent. Organisations are altering their strategic imperatives to include more effective and highly attractive reward packages that attract top talented employees. As a result this could increase their competitive advantage in the market. Lately however, financial rewards and money is no longer enough to attract, motivate or retain employees. These changes have led organisations to seek out non-financial attraction rewards that are most effective in harnessing top talent.

Research Purpose:

The main objective of this study was to establish which non-financial rewards and what combinations of these rewards were perceived to be most attractive to employees when considering a job offering. A secondary objective was to establish which non-financial rewards were most attractive to various demographic groups namely: gender, race, and age.

Motivation for the Study:

Talented employees or knowledge workers are integral components whom organisations leverage in order to increase organisational performance and success. Successful attraction and utilization of top talented employees increases the potential for competitive advantage in the market. In order to attract the top talent necessary for gaining competitive advantage, it is necessary to understand which non-financial rewards (Work-life Balance, Learning and Career Advancement) are likely to be the most attractive to prospective top talented employees.

Research Design:

This study adopted a quantitative research approach by means of a $2^3$ Full-factorial Experimental Design. The data was collected via non-probability convenience sampling by way of two questionnaires. The first Attraction questionnaire assessed the relative level of attractiveness to one of eight experimental conditions that were expressed as eight fictitious
job advertisements. Employees who responded to the survey were from various industries ($n=171$) and completed the first questionnaire to assess the level of attraction to each non-financial reward as well as which combinations of the rewards were most attractive. The second Total Rewards Questionnaire assessed whether employees were attracted to total rewards and whether an experimental design was the most appropriate and effective way to gauge employee’s level of attraction to rewards. The manipulation check for the experimental job advertisement was analysed using a Paired Samples T-test. Data from the first questionnaire was analysed using descriptive statistics, Exploratory Factor Analysis with Principal Components Analysis, and Factorial ANOVA. The second questionnaire was analysed using Exploratory Factor Analysis with Principal Axis Factoring, Direct Oblimin Rotation and descriptive statistics.

**Main Findings:**

The results from the Attraction questionnaire revealed that the non-financial rewards (Work-life Balance, Learning, and Career Advancement) have statistically significant effects on employees’ perceived attractiveness for each non-financial reward when present in a job offering. There were no significant interaction effects found between the non-financial rewards. The results for the demographic groups yielded a significant effect for gender on perceived job attraction. Therefore the results indicate that employees were more attracted to job advertisements/job offerings when non-financial rewards were present. It was also indicated that women were more attracted to the presence of non-financial rewards than males. The results of the Total Rewards questionnaire indicated that total rewards were found to be attractive regardless of the reward being offered. The results of the Total Reward questionnaire indicated support for an experimental design to assess employees’ perceived attractiveness to a job advertisement.

**Practical/Managerial Implications:**

The unique application of an experimental design allowed for the assessment of whether non-financial rewards (Work-life Balance, Learning and Career Advancement), when present or not-present in a job advertisement, were more attractive to employees and different demographic groups both alone or in combination with one another. The results from the experimental design provided better insight into which rewards are useful to include as part of a total rewards package. Organisations from various industries may benefit from these
results by implementing non-financial rewards as part of a total rewards package to attract employees. Organisations that seek to attract a higher number of female employees may benefit from the results by incorporating non-financial rewards as part of a job offering.

**Contribution/value Add:**

Substantial research exists in identifying the rewards that are most effective in attracting employees, but no literature exists which uses an experimental design to assess which non-financial rewards are most attractive. The current study succeeded in identifying whether the presence or non-presence of non-financial rewards as part of a job advertisement, were more attractive to prospective employees and whether gender, race, or age had an effect on the perceived attractiveness.

*Keywords: Talent Attraction, 2³ Full Factorial Experimental Design, Factorial ANOVA, Non-financial Rewards*
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CHAPTER 1

INTRODUCTION

Globally organisations are competing for the same scarce human resources and more specifically scarce talent. The world of work has increasingly become more global, which has led to a progressively interdependent global economy. Globalisation and the scarcity of talent are some of the influences that have driven the competitive markets for qualified and talented employees (Hagel, 2012). A problem that companies are facing is not only rooted in a diminished pool of talented and qualified employees, but also that this same pool is being accessed from all industries and on a global frontier, which has led to greater competition for top talent. Companies are being challenged on how to effectively attract and subsequently retain the top talent that they have invested in (Hagel, 2012). The global economy is still recovering from the recent economic recession which has resulted in increasing job uncertainty and layoffs in the world of work. The challenges that companies are facing in the war for talent has had an effect on the retention of employees, specifically how employees are being attracted to organisations through more lucrative or flexible positions elsewhere (Hagel, 2012).

Talented workers are otherwise known as knowledge workers. Knowledge work requires extensive human interactions and is termed interaction work. Some of the positions of knowledge workers include doctors, engineers, lawyers, managers, sales representatives, teachers and other skilled professionals. These skilled professionals who are involved with interaction work are indicated to be vital to the competitive success of companies globally (Lund, Manyika, & Ramaswamy, 2012). Interaction work and knowledge workers are at an inflection point as global competition, emerging skill shortages, and changing demographics are altering the way that companies make use of their highly paid talent so that talent is used more effectively (Lund, Manyika, & Ramaswamy, 2012). Research from McKinsey Global Institute found that in the United States alone, there could be a gap of 1.5 million graduates by 2020, while in China a skills shortage of 23 million college educated workers is estimated by 2020 (Lund, Manyika, & Ramaswamy, 2012). Organisations are concerned about the effect that the decreasing pool of skilled and talented employees will have on future organisational success and performance.
Global competition for talent has been influenced by the impact that successful talent acquisition has on overall organisational success and the bottom line (Cascio, 2006). Company success is an outcome of gaining competitive advantage in the marketplace, and the question is what influences and mediates company success? Organisational strategic decisions and strategic planning to increase company performance are ultimately aimed at improving company success (Abdul, 2013). Organisations need to be flexible and highly responsive to the changing working world to remain competitive, requiring organisations to adapt business processes and to incorporate more effective talent management practices. A study conducted by Abdul (2013) which included 25 major organisations in Lahore, indicated that talent management mediates the relationship between business process re-engineering and organisational performance. The results found that business process re-engineering and the talent pool has a significant impact on organisational performance (Abdul, 2013).

The direct economic costs associated with losing talented employees includes some of the following: the costs of replacing the employee, the separation of the employee, downtime, recruiting, interviewing, on-boarding, and training and development of the new hire (Hagen Porter, 2011). These associated costs to the company are estimated to be 50% to 100% of the employee’s salary for an entry level position (Hagen Porter, 2011). Other estimates of associated costs for losing and replacing employees are expected to vary between 1.5 to 2.5 times the annual salaries paid for the job (Cascio, 2006). Alongside the economic costs of losing employees, indirect financial costs could include work disruptions, loss of organisational memory along with tacit or strategic knowledge, losses to productivity or customer service, loss of mentors, or even additional turnover of other valued employees (Bryant & Allen, 2013). Both direct and indirect economic costs impact organisational performance and success. Therefore, attracting and retaining top talent becomes a vital strategic imperative to assist in organisational success, while the associated costs of losing valued and talented employees could affect the company’s bottom line and competitiveness in the market.

Talented employees provide knowledge, skills and experiences that may improve organisational processes and overall performance. Implementing talent management of talented individuals for the benefit of the organisation develops and harnesses intellectual capital (Florinda, Albino, & Nuno, 2012). Intellectual capital is defined as an intangible element which results from the sum of knowledge of each individual to an organisation.
arising from the wealth of people in the organisation, their level of education, their experience, their information and willingness to develop the acquisition of knowledge (Florinda, Albino, & Nuno, 2012). Intellectual capital has become the differentiator between competitive companies. As the scarcity of talent has increased and the value that talented employees bring to the organisation, it has become a levering point for increasing competitive advantage.

1.1. Talent Management

Talent management refers to the process of “…developing and integrating new workers, developing and keeping current workers and attracting highly skilled workers to work for a company” (Mandhanya & Shah, 2010, p. 43). Talent management has increasingly become strategically significant for organisations. This is due to the realisation that potential problems identified in organisations are often associated with a lack of talent management or an ineffective talent management system (CGMA.org/talent, 2012). Globally businesses are struggling to manage their talent through effective attraction and retention strategies. This has become an area of concern as the link between talent management and prospective organisational growth objectives has increased in importance (CGMA.org/talent, 2012). The significance of talent management and effective human capital management has been emphasised by changing organisational strategic objectives aimed at increasing the organisation’s competitive advantage. Not only are organisations rethinking their organisational strategies to include talent management objectives, but the realisation of the costs associated with ineffective attraction and retention of key talent has also become increasingly heightened (CGMA.org/talent, 2012).

Talent management, among many perspectives according to Srinivason (2011), is perceived to encompass one of two basic principles. The first talent management principle is that there are high, medium and low performers of which the higher performers are pampered with rewards. The medium performers are expected to perform better and more in line with the top performers. The low performers are perceived as easily replaceable and more often than not are removed from positions or are asked to leave the organisation (Srinivason, 2011). The second type of talent management principle is one in which the higher performers are less pampered or as highly rewarded, and the lower performers are encouraged and trained to increase their performance in the organisation (Srinivason, 2011). The two principles of the application of talent management offer opposing perspectives on how best to apply talent
management practices. The first principle suggests that talent management serves to reward and encourage predominantly the top performers while the medium and low performers benefit very little from the process. The second principle however, highlights the alternative uses for talent management across all levels of the organisation to increase the overall performance of high, medium and low performers concurrently. The two suggested principles of the application of talent management serve to simplify and summarise the opposing perspectives that organisations utilise with talent management practices. The key concern is for organisations to determine which principle to adopt in order to increase their competitive advantage in the market.

The two principles of talent management previously mentioned highlight the importance of utilising talent management methods for both attraction and retention of high potential employees. The application of the second principle, in which talent management is utilised across all levels within the organisation, identifies the potential in low performers and is able to apply training and development practices to increase their performance rather than losing employees and potential high performers. This highlights training and development as a significant factor encompassed as part of the broader concept of talent management, and included in attraction and retention practices. While this current study does not address training and development as the focus of talent management, it does take into account that organisations occasionally overlook the lower performers in search for a leaner and more efficient organisation, with the predominant focus on attracting and retaining the high performers. Attraction and retention practices should encompass identifying and retaining potential talent and offer opportunities where training and development may yield better performing employees without the costs and time risks of firing or letting these employees go (Srinivason, 2011).

Competition among organisations for scarce human resources in the form of talent, skills, knowledge, and abilities of workers outweighs the available supply (Jenson, McMullen, & Stark, 2007). Knowledge Workers are estimated to create three times more profit than other employees because of their level of skills, and better performance (Guthridge, Komm, & Lawson, 2008). Therefore attracting knowledge workers and subsequently retaining them has become the strategic priority for many organisations due to the value that knowledge workers hold in a company. As previously mentioned, training and development of potential high
performers also forms part of the broader concept of talent management and emphasises the importance of identifying and retaining top talent with the aim to train and develop the potential talent for future employment needs. Organisations are also concerned with retaining top talent after investments are made in attracting, acquiring, training and developing them.

Retaining and harnessing talent has become the central focus for many organisations, rather than the traditional focus on technology or capital which were the core focus in the traditional workforce (Srinivason, 2011). Organisations have progressively increased their focus on the retention of talent and their strategies to leverage to retention of their top talent, high achievers and high performers. However, less attention has been paid to the area of attraction or the area of effectively harnessing talent (Srinivason, 2011). Globally, organisational strategies, products and services can be replicated; however organisations cannot replicate talent and an effective workforce. The war for talent therefore increases because the top talent is increasingly recognised as enhancing competitive advantage (Jenson, McMullen, & Stark, 2007). Organisations leverage many tools or strategies in order to attract and retain top talent. Employer branding falls as part of one of the strategies adopted but it is not encompassed as part of talent management practices.

1.2. Employer Branding

Employer branding is another strategy that organisations are using to manage their talent by attracting and retaining top talent. Employer branding is defined as a targeted and long term strategy to manage awareness and perceptions of employees or potential employees to a particular organisation (Mandhanya & Shah, 2010). Successful branding strategies have become strategically significant for organisations to attract top talent by drawing interest and creating desire to apply to an organisation. Employer branding includes management of an organisation’s policies, procedures, and culture to name but a few, to generate improvements in employee attraction, engagement, commitment and motivation (Mandhanya & Shah, 2010). However, employer branding will not be explored in this study as it falls outside of the scope of talent management and is utilised as an additional strategy to talent management practices. The focus therefore shifts to talent management practices specifically, of which employee attraction to and retention in an organisation are at the centre in this discussion.

1.3 Attraction and Retention

This section explores the significance of talent attraction and retention, and attempts to make a distinction between the two constructs. Attraction and retention are explored in terms of
their significant role in talent management and why as constructs they are important factors to be considered. Employee attraction will be elaborated on and explored as the predominant focus of this study, with a motivation on the relevance of the construct in the working world.

Employee attraction and retention are factors that are encompassed as part of the broader concept of talent management. While both factors are found to be vital in aligning employee talent management with organisational strategies, they are different constructs and have dissimilar underlying approaches. Talent management “refers to the process of developing and integrating new workers, developing and keeping current workers and attracting highly skilled workers to work for a company” (Mandhanya & Shah, 2010, p. 43).

An important link that is found between attraction and retention is that the most effective attraction techniques, methods or processes, will also have a direct effect on the possibility of retaining employees. Workplace attraction has been identified to be a related construct to retention and influences recruitment and retention in organisations (Amundson, 2007). As previously mentioned, organisations are facing challenges and changes to working life such as: greater competition and increased pressure for productivity, less defined career paths, globalisation, greater reliance on temporary or contract work, need for continuous learning, greater income disparity, and greater emphasis on technological skills to name a few (Amundson, 2007). A more significant factor for organisations to recognise is the growth in skills shortage, which is increasing in terms of smaller groups of skilled talent that are available in the marketplace. This has meant a significant change in emphasis on how to develop and manage these rare skills, specifically in the case of previously disadvantaged, disabled, or marginalised groups (Amundson, 2007). The focus is not purely based on developmental issues, but rather on how to recruit and retain skilled workers in a progressively more competitive marketplace (Amundson, 2007). However, employee attraction and retention is not solely based on organisational strategies and policies, but also encompasses a broader employment relationship in which psychological contracts are established.

Workplace attraction and retention has been researched on the basis of the psychological contracts made between employers and employees in terms of the way that employees are firstly attracted and then retained in an organisation (Kickul, 2001). Kickul (2001) highlights that the ability to attract and retain reliable, competent, skilled, talented employees has become the new competitive component that is being leveraged by organisations to develop
effective and sustainable competitive advantages. Psychological contracts exist as part of the employment relationship developed between employers and employees.

The employment relationship exists as an agreement of exchange of resources, of work or effort for remuneration or a form of beneficial outcomes. Potential problems may arise when an organisation makes specific outcome based promises in the form of competitive wages, work-life balance, training, meaningful work for example, in exchange for employees’ time and energy, skills, knowledge and abilities (Kickul, 2001). A problem associated with this is the lack of delivery of the organisation’s promises or perceived promises to the employees (Kickul, 2001). Kickul (2001) examined the ramifications and outcomes of not fulfilling a psychological contract between an organisation and an employee. Kickul (2001) found that the lack of delivery of the organisational promises could lead to decreased performance, lack of motivation, increased turnover and intention to quit. Therefore a component of retaining employees is also linked to the psychological contract, which may be the promises made during the attraction and recruitment of employees. Attraction of employees therefore is inferred as being a prolific influence on not only talent management as whole but also the psychological contracts established in the process.

1.4. Job Attraction

Employee attraction has been referred to as a combination and amalgamation of several factors. These factors change as each individual is influenced by life circumstances, personal development, environmental and general changes. This would mean that in order to attract the ideal employee for the job, a combination of factors that are attractive to that individual at that specific time need to be met (Amundson, 2007). The simultaneous amalgamation of the factors that are ideally attractive to individual employees may seem insurmountable (Amundson, 2007); however employee attraction elements are also influenced by the type of person looking for work and the type of job that is being offered. Therefore, by identifying the job specific criteria as well as the type of person best suited to the job, the ideal mix of attraction elements could be established. Employee attraction elements are tools put in place to effectively attract the correct people for the job. Person-job fit is a term used for the correct fit of an individual employee to the type of job and is mediated by effective attraction methods (Carless, 2005). Person-job fit is not the only factor to consider when identifying the correct employees and attracting these employees, organisational-fit is also mediated by effective attraction methods.
A study conducted in the USA assessed whether prospective applicants were more attracted to employers due to the similarity between themselves and the prospective co-workers or whether this perceived similarity had no effect on applicant attraction (Devendorf & Highhouse, 2008). Previous research has suggested that applicants or prospective employees typically find three sets of information important for making a decision about an organisation or employer or specific job, namely employer information, job information, and people or employee information (Cable & Turban, 2001). The study conducted by Devendorf and Highhouse (2008) indicated support for the theory that information about prospective co-workers and the similarity thereof, is predictive of employer attractiveness. This further illustrates another dimension in which applicants or workers could be attracted to a job with an employer. Perceived similarity between applicants and employees influences the relative attractiveness to the employer, which further illustrates the significance that should be placed on attraction factors aimed at prospective employees.

The modern workplace is changing rapidly and organisations have to readily adjust to these changes. To reassert, given that employee attraction has become a substantial component of an organisation’s competitive advantage or at least a strategic significance for business objectives, employee attraction could then easily adopt a ‘one size fits all approach’. However, the underlying components of attraction factors are also constantly changing depending on the individual, environment and circumstances. This acceptance of the changing needs or desires for attraction elements recognises that attraction methods are susceptible to change and should be as varied as possible to accommodate the divergent needs and desires of the possible employees. Therefore, it can be said that attraction reward elements should be adjusted according to the individual or circumstances to be most effective (Amundson, 2007). This indicates that a ‘one size fits all approach’ to employee attraction may not be appropriate and should not be as readily or easily adopted, due to the changing and varied attraction factors available.

Amundson (2007) identified 10 workplace attractors, in which the significance of each attractor varied over time and with each individual. The attractors were as follows: security, location, relationships, recognition, contribution, work fit, flexibility, learning, responsibility, and innovation. Traditionally security received a great deal of importance as an attractor, however as the working world has changed, a single focus on job security is changing to a much broader array of attractors (Amundson, 2007). Financial attractors and an individual’s pay cheque are not perceived as important as they once were, and a broader array of attractors
is guiding employees in making their career decisions (Amundson, 2007). The broadly financial reward elements are still perceived as important but changes to the order of priorities of reward elements, to include non-financial rewards as some of the top priorities, is creating a shift in the manner in which organisations offer reward packages. Studies in the United States indicate that strategically designed remuneration and benefits programmes may be more valuable and may have more success in companies rather than an overarching and all inclusive approach to rewards (WorldatWork, 2003).

Figure 1.1 summarises this chapter in a fishbone diagram which indicates the influential factors identified which all form part of the larger focus of job attraction.

As has been established, talent management is a significant contributor to strategic and organisational competitive advantage that affects the bottom line and overall organisational performance and success. Talent management encompasses a broad array of factors such as attraction, selection, training and development, and retention and is also influenced by employer branding and psychological contracts to name a few. While talent management is leveraged by organisations to increase their competitive advantage in the market place, the real focus is on employee attraction which is the significant factor utilized to acquire the top talent vital for this effort. Employee attraction has been explored as a significant component in differentiating organisations and the talent that they seek. In a study that interviewed 350 employee benefits specialists in the U.S, more than half of them indicated that the consideration of employees rewards programs that help to attract, retain and motivate a talented workforce will become a strategic priority (Deloittes Consulting LLP, 2005).

As previously mentioned, these attractors are varied and can be offered in numerous ways. Workplace attractors fall broadly into two categories: financial and non-financial rewards. These rewards can be designed into suitable packages which are the most effective, comprehensive and appropriate to the types of talent that organisations are seeking to attract.
This introduces and emphasises the importance of total rewards, which is an approach that encompasses employee attraction, retention and motivation across various employee groups (WorldatWork, 2003). Total rewards will therefore be further explored in the next chapter, with further elaboration on attraction factors which have been introduced in this chapter.
CHAPTER 2

LITERATURE REVIEW

2.1. Total Rewards

Total rewards are typically defined as:

…encompassing not only traditional, quantifiable elements like salary, variable pay and benefits but also intangible non-cash elements such as scope to achieve and exercise responsibly, career opportunities, learning and development, the intrinsic motivation provided by the work itself and the quality of working life provided by the organisation (Armstrong & Murlis, 2004, p. 11).

Effectively managed total rewards systems will have a strong positive influence on employee attraction, motivation and retention (Rumpel & Medcof, 2006). At the core, a total rewards system approach attempts to optimize an organisation’s offerings to workers in a way that will yield the greatest return on investment to the organisation through productivity, retention or monetary profits (Rumpel & Medcof, 2006). Effective total reward packages are important in managing top talent because they motivate and retain talent required to achieve desired business results that could lead to employee satisfaction and engagement (Bryant & Allen, 2013). The impact that an effective talent management system and total rewards package has on organisational performance should be effectively designed to leverage the intellectual capital and top talent within a company.

The total rewards approach takes a holistic approach to rewards and “…goes beyond the strong focus on pay and benefits which has been the hallmark of traditional compensation practice” in the past (Rumpel & Medcof, 2006, p. 27). Total rewards takes into account all the possible rewards in the workplace, which includes some of the following: flexitime, learning and development opportunities, work environment, and career advancement opportunities. The central premise for total rewards management is the correct application and combination of rewards, that are appropriate or meaningful to employees, will be more effective in attraction, motivation and retention practices within an organisation (Bryant & Allen, 2013).
The purpose of total rewards is to diversify the reward system so that it incorporates rewards that are perceived as meaningful to employees across different levels and jobs. The types of rewards that are included as non-financial rewards and have been utilised in organisations are: flexible working hours, reduced voluntary turnover, career advancement, and training opportunities or increased employee engagement (Rumpel & Medcof, 2006). These rewards are typically integrated with monetary compensation in order to produce a more inclusive, effective, and broader reward system (Rumpel & Medcof, 2006).

Total rewards is a favoured approach among many larger organisations such as Microsoft, Johnson & Johnson, IBM, Marriot, RBC Financial Group, and AstraZeneca as it is an approach that captures a broad and comprehensive value proposition for employees as a means to increase their competitive advantage (Rumpel & Medcof, 2006). Total rewards are favoured due to the integration of complex HR disciplines such as: pay, benefits, training and development, and the work environment, which takes into account a holistic total reward approach that addresses all of these needs (Rumpel & Medcof, 2006). “Total rewards captures a firm’s entire employee value proposition, which is everything employees gain from working for the organisation” (Rumpel & Medcof, 2006, p. 28). This could include a list of rewards including direct and indirect financial rewards, positive characteristics of the work itself, career opportunities, and social activities in the workplace as well as other services provided by the employer.

The added value of using a total rewards program is that it supports the recruiting process. This is due to a differentiated, well-articulated and more holistic offering for prospective applicants or employees, which has an overall effect on the attraction and retention of employees to an organisation (O’Neal, 1998). Total rewards offer a greater focus on other types of rewards supplementing the traditional pay and benefits. This helps to establish a competitive advantage for organisations in a fast changing market place with higher expectations placed on professionals and knowledge workers. More frequently professional employees work longer hours on highly complex tasks and have higher expectations in non-compensation areas, such as the ability to work from home or more training opportunities (O’Neal, 1998). The broader and more diverse set of rewards also increases organisational commitment and engagement due to the diverse needs of employees being met. Employee-firm relationships or the working relationship becomes strengthened as employees become more involved with the work arrangement options, such as training or career advancement opportunities (O’Neal, 1998).
There is no one correct package of rewards to include in a total rewards program. The broader list of rewards is long and comprehensive, and is split into several key areas or types of rewards. The broader categories that rewards are split into include: pay, benefits, learning and development and work environment (Rumpel & Medcof, 2006). There are several sources, different definitions or descriptions of total reward programs that can be divided into these categories. This study expands on Pregnolato’s research (2010) which explored the total reward elements in detail for the purposes of exploring retention and demographic preferences. Pregnolato’s (2010) study explored the reward elements under five broader categories. WorldofWork (2003) proposes an integration of the following five key reward elements that attract, motivate and retain the “talent required to achieve desired business results and to lead to employee job satisfaction and engagement” (WorldatWork, 2003). Pregnolato (2010) broadly defined the rewards in the study into the following categories: remuneration, benefits, work-life, performance and recognition, development and career opportunities. These categories are defined below:

1. **Remuneration**: cash provided by an employer to an employee for services rendered;
2. **Benefits**: programmes that an employer uses to supplement the cash or remuneration an employee receives. These satisfy protection needs and are unlikely to be performance based;
3. **Work-Life Balance**: organisational practices, policies and programmes as well as a philosophy that actively supports employees efforts to be successful within and outside the workplace;
4. **Performance and recognition**: Performance involves the alignment and subsequent assessment of organisational, team and individual efforts toward the achievement of business goals and organisational success. Recognition gives special attention to employee action, efforts, behaviour and performance; and
5. **Development and career opportunities**: Development comprises learning experienced designed to enhance employee skills and competencies. Career opportunities involve plans to help employees pursue their career goals. These are relational needs that bind workers more effectively to an organisation as they satisfy individual needs such as personal development and fulfilment. (Armstrong & Murlis, 2007 as cited in Pregnolato, 2010, p. 9-10).
Figure 2.1 represents the graphic representation of the total rewards model and the related outcomes. The figure emphasises that total rewards influence employee attraction, retention and motivation. The better managed a total rewards system is and the better suited the total rewards are to the employees and the organisation, the more of a positive effect it will have on attraction, motivation and retention. Improved practices for employee attraction, motivation and retention have an effect on employees’ satisfaction and engagement. Satisfaction and engagement of employees has an interaction effect and positive correlation with business performance and results (WorldatWork, 2003).

Pregnolato (2010) used a conjoint analysis to assess which reward elements were favoured above others. The conjoint study forced the participants to make a choice about which attributes and levels of the elements were more likely to influence their retention in a company, or how the level of attractiveness of reward elements compared to one another.

The current study is an expansion of Pregnolato’s (2010) research on the two broad groups: financial rewards and non-financial rewards. While traditionally financial elements have received a significant amount of support and research, non-financial reward elements such as training and development, and flexi-time have increased in importance to employees. Pay or remuneration is the simplest and easiest reward element to equal, and for this reason organisations are finding new ways of differentiating themselves to the market competitors (WorldatWork, 2003). Financial reward elements include the broad categories of

\[
\text{Remuneration} \\
\text{Development and Career Opportunities} \\
\text{Benefits} \\
\text{Work-life} \\
\text{Performance and Recognition} \\
\text{Attract} \\
\text{Motivate} \\
\text{Retain} \\
\text{Employee Satisfaction and Engagement} \\
\text{Business Performance and Results}
\]
remuneration and benefits, whilst the non-financial reward elements include: work-life balance, performance and recognition, and development and career opportunities. Pregnolato (2010) further divided the reward elements in such a way that Development and Career Opportunities were re-categorised into Career Advancement and Learning.

Pregnolato (2010) was able to identify the top six total reward elements that were ranked in order of preference according to gender, demographics, and age (Figure 2.2). Reward elements can be defined according to numerous characteristics and factors, however, the five categories of reward elements that were identified and explored by Pregnolato (2010) were defined by three level indicators per reward element. These reward element indicators were researched as the most desirable and common indicators per reward element across the different groups (Pregnolato, 2010). The top five most important reward elements that were identified were the following: benefits, performance and recognition, remuneration, career advancement, learning, and work-life balance. The current study will explore the non-financial reward elements that were identified by Pregnolato’s (2010).

![Figure 2-2: The Overall ideal Mix of Total Rewards. Adapted from “Total Rewards that Retain: A study of Demographic Preferences”, Pregnolato, M., 2010, p.83. Cape Town, South Africa: University of Cape Town.](image-url)
2.2. Non-financial Elements

Financial and non-financial elements have received considerable research and attention regarding their relationship with attraction, motivation and retention of employees. Thomson (as cited in Armstrong & Murlis, 2004, p.11) found that “…definitions of total rewards typically encompass not only traditional quantifiable elements like salary, variable pay and benefits but also intangible non-cash elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, and the intrinsic motivation”.

Financial attraction elements and an individual’s pay cheque are not perceived as important as they once were, and broader arrays of inducements are guiding employees in making their career decisions (Amundson, 2007). Traditionally less attention was given to non-financial rewards as it does not offer immediate monetary value to employees. However, employers and employees have become more aware of the non-financial rewards offerings and the greater impact that these may have above financial rewards. Non-financial rewards such as praise and recognition are recognised as motivating tools for employees, and is therefore leveraged by employers to increase employee performance (Zani, et al., 2011). Employers are recognising that paying above or at market-levels is not sufficient to encourage and motivate staff (Whitaker, 2010). Whitaker (2010) found that employees’ initial motivation and satisfaction may have improved with a pay rise or cash bonus but the effects were shorter lived than the motivating effects of non-financial rewards. Non-financial rewards such as reduced working hours, subsidised meals or services, additional holidays and team events were found to improve employee motivation, foster a positive culture and encourage loyalty and commitment to the organisation (Whitaker, 2010). Increasing pressure on organisations to control or reduce costs has also heightened the use of non-financial rewards as alternative arrangements to reward employees (Chiang & Birtch, 2011). The broader financial reward elements are still considered largely significant, however changes to the order of priorities of reward elements to include non-financial rewards is creating a shift in what organisations offer as part of the reward packages.

Cultural differences and economic factors which have become a larger by-product of globalisation and the worldwide economic depression have influenced the relative strength of specific attractors. These attractors include family responsibility leave, or a stronger emphasis on job security and monetary security due to global decline in social support and security (Amundson, 2007). In a study drawn from a sample of 568 employees in the banking industry
in Finland and Hong Kong, culture’s consequences on employee perceptions of performance of financial and non-financial rewards was investigated (Chiang & Birtch, 2011). Chiang and Birtch (2011) found that with the effects of globalisation and diverse cultural orientations in the workplace, employees are motivated by different rewards according to the type of national and organisational culture. Non-financial rewards are found to be more effective in feminine cultures where work-life balance and quality of life are highly valued and desirable (Chiang & Birtch, 2011).

Research conducted by Mak and Akhtar (2003) indicate that non-financial rewards offer employers a chance to design their rewards structure in order to direct employee behaviours and align employee-employer interests. Non-financial rewards have different motivational attributes to financial rewards. Training and development is used to enhance human capital and knowledge and skill acquisition (Mak & Akhtar, 2003), while recognition increases employee self-esteem and competence (Chiang & Birtch, 2011). This research offers insights into “potential variances that may arise in employee reward-performance values, preferences and behaviours in a cross-national setting” (Chiang & Birtch, 2011, p. 562) as well as suggesting that there is no universally applicable reward package in an increasingly global market.

The broader category of workers who are presently heading into the workplace are referred to as Millennials (Thompson & Gregory, 2012). The Millennials are the latest generation entering the workplace and they have been exposed to the changing nature of the traditional family size, structure and values. Parenting issues and the rising divorce rates have led recent generations placing a more significant value on work-life balance, family, autonomy, responsibility, recognition and mentorship (Amundson, 2007).

Organisations have found it increasingly difficult to adapt to the new needs, values and the manner in which Millennials work. This has influenced a global interest for organisations to change or adapt their practices of attraction, motivation and retention to better accommodate the newer generations (Thompson & Gregory, 2012). Research has demonstrated that the most influential factors that contribute to employee retention and loyalty are good work-life balance, meaningful work, sufficient attention or recognition, and interpersonal relationships at work (Thompson & Gregory, 2012). Whilst non-financial rewards are found to be of high importance to the Millennial generations for retention purposes, the assumption is that these reward elements can also be generalised to attraction reward elements and methods.
Younger employees are predominantly found to make employment choices based on their individual value congruence with the organisation, rather than finding employment for primarily monetary or job security reasons (Amundson, 2007). This has directed employers to make strategic decisions regarding their competitive advantage and to make necessary adjustments in order to attract and retain top talented employees. The strategic need for change and adjustment has increased the growing need for a broader range of attractors as part of a total rewards approach to be adapted (Amundson, 2007).

A study conducted by the South African Recruitment Association (SAGRA) on Talent Retention amongst South African graduates indicated that the top five prioritised items were: advancement opportunities, developing new knowledge, open and transparent communication, challenging and meaningful work, and work-life balance (Cape Argus, 2010). Generation X was similarly found to be most successfully retained by organisations when the following reward elements were included: career development opportunities, career ladders, and providing challenging assignments (Harvard Business Essentials, 2002). While different generations are found to value similar non-financial rewards, research on top talent and knowledge workers also supports the importance of non-financial rewards as part of the total reward package.

A study conducted by Birt, Wallis and Winternits (2004) assessed the top reward elements chosen by knowledge workers at a financial services institution. The reward elements that were chosen as effective retention tools were: challenging and meaningful work, career advancement opportunities and new opportunities and challenges (Birt, Wallis, & Winternits, 2004). Another study that supports the importance of non-financial rewards was conducted with 239 IT workers in which the primary retention factor was a sense of equity in the employment relationship via fairness of salary, work-life balance and job security. Progressively, non-financial rewards have become prominent factors that organisations are reconsidering as part of their talent management and reward programs. This change is mediated by the effect that non-financial factors has on organisational competitive advantage in the market. Organisations are becoming increasingly concerned with which types, quantities, and combinations of reward elements are necessary to attract and retain top talent.

These studies further illustrate the importance of exploring non-financial reward elements with specific focus on work-life balance, learning, and career advancement. Pregnolato’s (2010) research on total reward elements revealed that the top three most important non-
financial rewards were the following in order of preference: career advancement, learning, and work-life balance. The non-financial reward elements were defined across different level indicators. Pregnolato (2010) identified the top three indicators for the respective non-financial reward elements and categorised each level indicator into high, medium, or low levels. Each level indicator was included as one of the most influential identifiers of work-life balance, career advancement, and learning.
2.2.1. Work-life Balance.

Work-life balance is defined as:

…the extent to which an individual is engaged in and equally satisfied with his or her work role and family role consisting three components of work-family balance: time balance - equal time devoted to work and family, involvement balance - equal involvement in work and family, and satisfaction balance - equal satisfaction with work and family (Greenhaus, Collins, & Shaw, 2003, p. 510).

Work-life balance is the individual perspective that working life and personal life activities are compatible with one another. It is also the perspective that the effective combination of work life and family life promote growth in accordance with the individual’s life priorities (Kalliah & Brough, 2008).

Work-life balance has progressively increased in significance in South Africa for several reasons. One of which is the introduction and enforcement of the Basic Conditions of Employment Act no.75 of 1997 (BCEA). The BCEA enables South African organisations to set standards of working life for their employees. The introduction of maternity and paternity leave supports a more flexible working life, as well as the increased recognition of the need for alternative working arrangements (WorldatWork, 2003).

A study conducted by Chimote and Srivastava (2013), investigated the benefits of work-life balance from the perspectives of both employees and the organisation. Organisational perceptions of work-life balance policies are that they reduce absenteeism, decrease turnover and increase commitment. Employees’ perceive work-life balance policies to influence satisfaction and autonomy within the organisation (Chimote & Srivastava, 2013). Work-life conflict, such as an absence of work-life balance or conflicting needs from work life and personal life, is associated with a lack of engagement, absenteeism, turnover rates, low productivity and poor retention levels (Chimote & Srivastava, 2013). The study conducted by Chimote and Srivastava (2013) found that employees perceived the benefits of work-life balance to be job satisfaction, job security, autonomy, stress reduction and improved health.

Work-life balance is researched to be perceived differently by Eastern or Western cultures (Chandra, 2012). A study conducted by Chandra (2012) was based on work-life balance policies and practices from 25 large organisations from both Eastern and Western origins. The results revealed that in Eastern or Asian countries, gender socialisation played an
influential role in one’s perception towards work-life balance. In the Western world of work, the focus was primarily found to be on flexible working hours or practices (Chandra, 2012). Significant results were found in this study and specified that employees’ perceptions and needs regarding work-life balance, differs across countries, societies, cultures and individuals (Chandra, 2012). The emphasis on work-life balance has increased as the working world has changed and the economic crunch has been felt globally. The increasing demanding nature of work which adds pressures onto working individuals and their families has also influenced the importance of work-life balance. Given the large population of working women in the labour market and the fast growing number of both dual-career families and single-parent families, the need for balancing work-family responsibilities has become a growing challenge for many employees (Bourhis & Mekkaoui, 2010).

Research conducted by Bourhis and Mekkaoui (2010), investigated the effect of family-friendly practices on organisational attractiveness. A study conducted whether on-site child care, generous personal leave, flexible scheduling, and teleworking have distinct effects on applicant attractiveness (Bourhis & Mekkaoui, 2010). The results indicated that family-friendly practices have a main effect on applicant attractiveness, with specific high effect scores for personal leave and flexible scheduling. Overall the results found that family-friendly practices have a positive effect on organisational attractiveness across genders and types of working individuals, both with family/children and without (Bourhis & Mekkaoui, 2010).

Work-family conflict has been found to be a moderator between flexible scheduling and telecommuting, and organisational attraction (Bourhis & Mekkaoui, 2010). Career and policy flexibility have been positively related to organisational attractiveness, however people who described themselves as family people or as family and career people were found to be significantly more attracted to organisations that offered flexibility (Honeycutt & Rosen, 1997).

Employees from various sectors or industries and occupational levels such as technical, professional, and managerial occupations have been reported to be more interested in jobs that accommodate work-life needs (Galinsky, Bond, & Hill, 2004). With the changing working world and the manner in which work in being conducted, the exploration of flexible working time and working from home have become important factors to consider. More recent technologies are allowing employees in professional and managerial positions the
ability to telecommute (Briscoe, Wardell, & Sawyer, 2011), and recent studies have found that working from home is associated with decreased work-family conflict (Gajendran & Harrison, 2007); (Raghuram & Weisenfeld, 2004).

Technological advancements in the working world introduced a more efficient and effective way to conduct work, whilst simultaneously having an effect on the interaction between working life and social/family life. For example, smartphone usage and prevalence in the workplace has increased in recent years with the changes in technology. Sectors and occupations such as health care workers and America’s physicians observe a 64% prevalence use of smartphones at work (Gill, Kamth, & Gill, 2012). Smartphones have introduced mobile emailing, mobile workplace connectivity, and mobile work all in a simple and convenient package (Turel & Serenko, 2010). It has become central to many individual’s everyday lives as a means to fulfil tasks both at work and at home, blurring the line between the workplace and home life (Gill, Kamth, & Gill, 2012).

The world of work is fast changing and has greatly been assisted through the development and advancement of workplace technologies. The changes in workplaces are responses to the increasing competitive marketplace (Townsend, DeMarie, & Hendrickson, 1999). Challenges faced with increasingly downsized and lean organisations are solved through advanced telecommunications and computer technologies such as virtual teams. Virtual teams offer the benefits of employee dispersion, worker flexibility, and optimum membership while retaining flat organisational structures. Organisations have been recognised to buy and sponsor smartphones for their employees with the expectation that they should be contactable, available and able to work at all or any hours of the day (Turel & Serenko, 2010).

Occupational stress caused from work overload and a disengagement from work has been estimated to cause over 60 per cent of all workplace absences in the UK, while in the USA the total cost of occupational stress is estimated to be from 200-300 billion dollars per year (Fevre, Matheny, & Kolt, 2013). Occupational stress in the workplace represents a possible loss of talent in organisations where top performers disengage from work when occupational stress is prevalent (Fevre, Matheny, & Kolt, 2013).

The negative occupational effects of technology and work overload have been researched to include increased turnover intention, decreased productivity, increased absence from work, and decreased performance or disengagement from work. The intrusive nature of modern day
technology and smartphones has resulted in a problem with not being to disengage from work, not being able to separate work from leisure or family. Therefore the changing world of work has precipitated the progressively more significant need for work-life balance in the workplace and work-life balance as a significant requirement.

Pregnolato (2010) explored the various indicator variables of work-life balance and the level indicators that were used for the current study were high (1), medium (2) and low (3) respectively:

1. Flexible working hours
2. Work from home
3. Reduced work schedule or work load

**2.2.2. Career Advancement.**

“Career advancement can be defined as the chance to be promoted or elevated to a higher rank or to a position of greater personal dignity or importance, coupled with higher salaries” (Tam, Dozier, Lauzen, & Real, 1995, p. 261).

Career opportunities are referred to as opportunities for employees to plan their career paths, which include advancing to positions of more responsibility or to another position in an organisation. Career opportunities for growth include: increased exposure outside the department, publishing articles, learning a foreign language, internships or apprenticeships with experts or professionals in their field, overseas assignments, internal job posting, job advancement or promotions, career ladders, and succession planning (WorldatWork, 2003).

Career advancement or career planning opportunities are researched as one of the most attractive reward elements for retaining employees (Pregnolato, 2010). These findings were verified by a survey which indicated that “45% of participants stated that development opportunities, job interest alignment and organisational respect for employees created the highest impact on organisational commitment” (Pregnolato, 2010, p. 17). Exciting work and work challenges, as well as career growth and opportunities are rated as some of the most influential factors that retained employees (Kaye & Joran-Evans, 2002). Organisations need to ensure that their top talented employees are in challenging, interesting and meaningful positions, which will optimise their skills and ultimately benefit the organisation through increased productivity, effectiveness and quality of service delivery (Armstrong & Murlis, 2004). Employees perceive career opportunities and advancement as significant reward
offerings. Organisations similarly place emphasis on career opportunities as a support of internal career opportunities that ensure the most talented or skilled employees are retained, or are moved into positions which enhance the most value for an organisation (WorldatWork, 2003).

Career advancements are traditionally perceived as associated with higher salaries and higher statuses or job levels. This organisational perception therefore indicates a higher cost to company when associated with career advancement (Tam, Dozier, Lauzen, & Real, 1995). Career advancement traditionally rewards superior performance with higher pay and position within the organisation. However, due to limits that may exist for certain job classifications or job levels, pay levels may not be the main reason for career advancement. Career advancement may be highly regarded due to the rising status and authority within the organisation as the true motivator (Tam, Dozier, Lauzen, & Real, 1995). Therefore, irrespective of the motivating factor for career advancement, career advancement is nonetheless held as a significant retention strategy for employees and is perceived as a top attraction element for organisations.

Career advancement has progressively developed into a more significant factor for workers, and while it has traditionally been a priority for employees, the changing work environment and traditional career advancement or career paths have also changed (Wolf, 2010). Traditionally a clear career path enabled employees to feel a sense of security within their job classifications. However, Western economies and the global economy have struggled in more recent years, which have resulted in organisations increasingly adopting flatter organisational structures. These flatter structures have resulted in less job security, a lack of a clear career paths, and downsizing (Wolf, 2010). Vast changes in the working environment the traditional boundaries have subsequently changed the characterisations of career advancement. Career advancement has developed from a focus on years of experience to a stronger focus on organisational or job output. The global employee competition for scarce jobs or entry level jobs which require higher degrees and education has increased, and the pool of top talent has decreased which has created a discrepancy between demand and supply of employment resources (Wolf, 2010).

Alternative career advancement factors have been identified as the potentially new era of factors rather than traditional career advancement factors such as education and experience. Career advancement focus has shifted to more social skills such as networking abilities,
individual initiative, and continuous personal development (Morgan, 2002). The significance of social competencies, communication, listening skills, and team work skills have become more noteworthy necessities when seeking new employees to enhance their career (Wolf, 2010).

In addition to the social competencies such as networking skills previously identified by Wolf (2010), technical skills have also become an alternative career advancement factor for employers to consider. Wolf (2010) found that respondents ranked traditional career advancement factors such as gender, years of experience, and relevant industry qualifications as more neutral factors contributing to career advancement. However, personality, enthusiasm, and networking skills were perceived as the most important factors for career advancement across all job levels (Wolf, 2010).

A study conducted by Leung (2004) identified that career advancement factors were also prevalent and influential in Eastern cultures. 44 Hong Kong managers, who worked in three different companies that had undergone restructuring, were aware that their career paths may change in the future. The results indicated that in reaction to possible promotions and career path changes, the managers focussed on human-capital investments by upgrading or widening their skill bases (Leung, 2004). Enhanced business networking, perceived obligations to work overtime, taking on extra duties or responsibilities, imitation of superior’s behavioural patterns, and developing a harmonious relationship with their environment were skills worked on by the managers (Leung, 2004). The significance is that the social factors were identified as important and common career advancement skills, rather than just traditional career advancement factors previously identified.

Career advancement is recognised as an influential attraction element and is perceived by employees and prospective applicants as one of the top retention factors for organisations. While the factors commonly identified under career advancement have changed from the traditional framework to more inclusive of social competencies, career advancement has increasingly been included as a strategic imperative in response to a progressively more competitive job market.

Pregnolato (2010) used the respective high (1), medium (2), and low (3) level indicators for career advancement:
1. Promotion within current business unit/function, exposure to opportunities/projects outside of your current department.
2. Business unit – may include overseas assignments,
3. Fast tracking career progression to executive or senior management levels.

2.2.3. Learning.

Learning is also referred to as career development and consists of learning experiences that are designed to enhance employees’ applied skills and competencies. Underlying the reason for learning or development is the provision of sequential experiences and training to equip employees for their respective levels of responsibility (Armstrong & Murlis, 2004).

Learning is indicated to have a positive influence on retention, motivation, and engagement because of the perception that the organisation invests in its employees (Prewitt, 1999). A Hay study conducted by Prewitt (1999) assessed retention rewards across 300 companies with over half a million employees surveyed. The results of this Hay study indicated that the most important retention reward element that was perceived by employees, was the opportunity to learn new skills (Prewitt, 1999).

Learning can be acquired through either passive reciprocation of information or an active engagement. Sun (2003) explored the process of learning in an organisational setting and more specifically the active participation of learning: “learning is active, constructive, goal-orientated, self-regulated, situated and collaborative” (Sun, 2003, p. 154). Organisational learning should be distinguished from a learning organisation. A learning organisation is one that will not be sustainable if it does not acquire an ability to adapt continuously to an increasingly unpredictable, competitive marketplace (Sun, 2003). A learning organisation is better equipped and adaptable for the future marketplace. Organisational learning refers to the participants and employees rather than the organisational strategy. Organisational learning follows a similar premise, that in order to be competitive as an employee, increased learning and acquisition of new skills becomes a vital component (Sun, 2003). The acquisition of new skills is an active process in which it requires effort and learning and is facilitated by an explicit awareness of an orientation toward a goal (Sun, 2003). Therefore the relationship between an organisation, team or department is collaborative.

Learning can result in changes of knowledge, beliefs, and behaviours, as well as the capacity to enhance future growth and innovation (Watkins & Golembiewski, 1995). Learning can be
geared toward any level or job category and is closely linked to career advancement as it is an opportunity that may enhance skills that influences a career path. Learning is subsequently an indicator to employees and applicants that organisations value their talent, skills and input in the organisation. Learning opportunities can come in numerous forms such as: corporate universities, new technology training, attendance at outside seminars or conferences, self-development tools and techniques, coaching or mentoring programmes, on-the-job training, rotational assignments, leading projects, and sabbaticals (WorldatWork, 2003).

Upward or vertical promotions have become increasingly restricted and lateral movements have become more common in organisations (Armstrong & Murlis, 2004). As previously indicated, this shift towards training and development has become increasingly more important in the total reward package due to the changes in career paths. Training and development has been found to have a positive influence on retention, motivation, and engagement as it is indicative of an organisation’s investments in its employees (Agarwal & Ferratt, 1999). Employees perceive their organisations to value human resources and wished to maintain a long term relationships with an organisation when it offered or provided job rotation, mentoring opportunities, and training and development opportunities (Agarwal & Ferratt, 1999).

Theory of learning in the organisation and occupational development (OD) has been primarily governed by Senge’s (1990) conception of five primary principles in a learning organisation: shared vision, personal mastery, changing psychological models, team learning, and systematic thinking (Watkins & Golembiewski, 1995). Learning can takes place in several forms and forums, including individuals, team, departmental, community based or even organisational. Learning is generally a continuous and strategically used process which runs parallel to working life and is used to enhance the effectiveness of working life (Watkins & Golembiewski, 1995). Learning can result in changes in knowledge, beliefs, and behaviours, as well as the capacity to enhance future growth and innovation (Watkins & Golembiewski, 1995).

Attractive characteristics of a learning or innovative organisation have commonalities such as: a stated and working strategy of innovation, forming teams, rewarding creativity and innovation, allowing mistakes, training in creativity, managing the organisational culture, and creating new opportunities proactively (Ng, 2004). The learning organisation has become increasingly important and thus the importance of learning as an attractor has increased. The
working world has increasingly driven the imperatives of learning and development through a more knowledge-based economy. Learning and development has subsequently become an imperative a tool that organisations use to increase their competitive advantage (Ng, 2004). “Learning organisations are generally market-orientated and have an entrepreneurial culture, a flexible, organic structure, and facilitative leadership. Learning organisations put their emphasis on quality and performance improvements” (Ng, 2004, p. 95). The changing marketplace facilitates the need for organisations to adapt and change. Therefore for organisations to increase or maintain their competitive advantage it is in their interest to facilitate learning and development as strategic imperatives. 

Pregnolato (2010) used the respective high (1), medium (2), and low (3) level indicators for career advancement:

1. On the job training
2. Tertiary education tuition assistance
3. Leadership/management development programmes

2.3. Statement of the Problem
The global war for talent and the scarcity of talent has increased competition and therefore has resulted in changes to strategic imperatives to include more effective talent management practices. Talent management practices were focussed on the attraction of top talented employees to an organisation. Total rewards were introduced as effective tools to attract, motivate and retain talented employees. Non-financial rewards were identified as significant factors that contribute to top talented employee attraction, motivation, performance and retention. Non-financial reward elements and their associated level indicators were identified in Pregnolato’s (2010) research. Therefore the main aim of the current study is to address the following research question. Based on the research question, a proposed hypothesis is suggested below.

Do the type, level, and presence of non-financial rewards (work-life balance, learning, and career advancement) have an effect on the perceived attractiveness of a job?

2.4. Hypothesis
H1: Non-financial rewards (Work-life Balance, Learning, and Career Advancement) have a significant effect on perceived job attractiveness.
2.4.1. Interaction hypotheses development.

This chapter has explored the attraction constructs that will be utilised in this study as well as the level indicators identified by Pregnolato (2010). Employee attraction has been discussed as a vital component of talent management and for the purposes of exploring which attraction constructs are perceived as most important to applicants or employees, an interaction matrix will be constructed to establish the interaction hypotheses of the attraction constructs.

This current study aims to identify which combinations of the attraction constructs are perceived as the most attractive. A Conjoint study which is traditionally utilised in marketing industries and research, uses a method of choice or trade-offs of factors to elicit the strongest factor above another. Conjoint study relies on a single choice being the most appropriate and best choice that the respondent can make. However, applicants and employees are not primarily interested in a single reward factor. Employees and applicants have been found to be more interested in a broader range and combination of reward factors that appeal to their specific needs or wants as an individual. For this reason using a Conjoint study would not provide the desired outcomes and would merely indicate which reward elements are favoured above another. This study aims to expand on previous research conducted by Pregnolato (2010). A combination of these reward elements allows employees to express which ideal combination of non-financial elements is perceived to be most attractive.

A combination matrix was used to establish the interaction and combination hypotheses for each non-financial reward. A symbol -1 was used to show the presence or high level of the reward element and the symbol +1 was used to show the non-presence of the reward element. The three reward elements work-life balance, career advancement, and learning are referred to as X₁, X₂ and X₃ respectively and can be found in Chapter 3, Table 3.2.

CHAPTER 3

METHOD

3.1. Research Design

The research design that was selected as appropriate for the present study was a $2^3$ Full-factorial Experimental Design. The reason that a Full-factorial Experimental design was used for the research is that the research question aimed to analyse the combinations of and
interactions between variables, economically and simultaneously. A Full-factorial design was needed to capture the more complex reality of attraction elements by estimating the effects of multiple interacting causes (Denis, 2011). The independent variables that were chosen to represent each of the non-financial factors in the Factorial Experimental Design were Work-life Balance, Learning and Career Advancement. Each of the three factors had two levels to indicate the presence or non-presence of the factor.

This current study was a field experiment which involves researcher manipulation of a naturally occurring context to induce relevant exogenous variation. A laboratory experiment in comparison is one in which the researcher has control over nearly all aspects of the economic and institutional context. The participants took part in the experiment outside of a laboratory setting and so the experiment was not confined to specific environment controls. Field experiments allow for less researcher control because much of the context is independent of the researcher’s effort (Roe & Just, 2009). This Full-factorial Experimental Design allowed me to manipulate the three non-financial factors influencing job attraction by controlling the content of the advertisements that were used to elicit job attraction responses.

3.2. Validity

Validity of an experiment is concerned with whether a particular conclusion or inference represents a good approximation to the true conclusion or inference (Roe & Just, 2009). The internal validity was assessed as it determined whether the observed correlations were causal to the perceived attractiveness of a job. A field experiment’s relative internal validity is usually categorised as medium to high, and for this study was relatively high due to a higher level of control over the variables and context of the job advertisements (Roe & Just, 2009). The controlled manipulations of the advertisements and the manipulation checks resulted in higher internal validity for this study. Threats to internal validity could have included one of the following: testing, history, instrumentation, regression, maturation, mortality, or selection (Salkind, 2009). In terms of this research, the possible threats to internal validity may have been selection of participants. Selection is a threat to internal validity of an experiment when the selection process is not random and may contain systematic bias. The way that this threat was avoided was to include random assignment to the experimental conditions which would aim to decrease systemic bias. However, due to convenience sampling of the participants the selection may not be an adequate representation of the target population. Mortality was another internal threat to validity in this research. Mortality of participants who began the
surveys and dropped out midway could have affected the nature of the group of employees being tested. For example, if a group of executive employees had a higher mortality rate than a lower level employee, it may affect the types of responses being recorded from employees on the whole as it would exclude executive employees (Salkind, 2009).

External validity of an experiment is the ability to generalise relationships and differences found in this study to other persons, settings and times (Roe & Just, 2009). The external validity was needed to convincingly determine whether the results of this study could be generalised. The external validity of a field experiment is also categorised as medium to high (Roe & Just, 2009). This study was more likely to have lower levels or medium levels of external validity due to the sample selection which was derived by non-probability convenience sampling as well as the manipulation and control of the advertisements. This study has a lower level of external validity as it will not be a naturally occurring context, as the advertisements were pre-designed (Roe & Just, 2009). The possible threats to external validity may have included one of the following: multiple treatment inference, experimenter effect, reaction/Hawthorne effect, or pre-test sensitivity (Salkind, 2009). Reactive arrangements or the Hawthorne effect may have affected the external validity of this research. Due to the experimental conditions being known to the participants, this may have created a more inflated response set to the job advertisements than would normally be reported by the participants to a job advertisement (Salkind, 2009). Due to the experiment being a field experiment, it did decrease the possible Hawthorne effect as employees were asked to respond to the pre-designed and fictitious job advertisements. However participants’ responses may have been inflated due to the nature of the study and that the participants knew the advertisements were fictitious. Therefore, this may have an effect on the generalizability of the research to real life settings in the workplace.

### 3.3. Sampling

It is not always practical or possible to obtain measurements from every subject in a target population \(N\) and so therefore a more practical and viable option is to select a representative sample \(n\) of the target population (De Goede, 2007). The extent to which observations may be generalised to the target population is a function of the number of participants in the chosen sample and the representativeness of the sample, while the power of inferential statistics test also depend on the sample size (Elmes, Kantowitz, & Roediger, 1999).
The target population that the sample was derived from is employees and more specifically knowledge workers. Knowledge workers are “…individuals who gain access to jobs through formal education and who carry knowledge as a powerful resource which they, rather than the organisation, own” (Drucker, 2002. P. 71). Knowledge workers who were currently employed as well as knowledge workers who were applying for jobs or future employees who have been an employee within the last year were the target population. The sample of participants for the study was full time employees from a various organisations. The sample was derived from across industries.

3.3.1. Sample size.
The sample size was determined by the amount of conditions present. In this Full-factorial $2^3$ design, there were eight conditions present in which the minimum sample size for each condition is 20 and the ideal number is 30 participants required per condition (Simmons, Nelson, & Simonsohn, 2011). Therefore the minimum sample size required was 160 participants, and the ideal sample size needed was 240 participants. The sample size acquired for this research was 171 participants of which at least 20 participants per condition were met, which was therefore adequate for this research and satisfied the minimum sample size requirements. The sample demographics are described in section 3.6.

3.3.2. Statistical power.
Determining the correct sample size is critical for statistical power analysis purposes. Power analysis refers to the determination of both Type I and Type II errors. The sample size is therefore imperative in order to not make these errors in hypothesis testing. A Type I error is the incorrect rejection of a null hypothesis. Type I error can be controlled by the selection of significance that is selected. Alpha is the maximum probability that there would be a Type I error. A Type II error occurs when we fail to reject an incorrect null hypothesis (Taylor, 2012). In this research the ideal sample size that is critical for power analysis is 240 participants however the minimum sample size that is critical for power analysis is 160 and therefore the sample size is adequate for power analysis.

3.4. Materials/Measuring Instruments
Research evidence available in the literature on the reliability and validity of the selected measuring instruments is presented to justify the choice of existing measurement instruments. The relative estimates of reliability through internal consistency were assessed by the Cronbach’s Alpha Coefficients. Cronbach Alpha coefficients >0.70 are considered
satisfactory while coefficients of 0.6 to <0.7 are considered moderate determinants of reliability while a coefficient of <0.6 is considered poor (Peterson, 1994). It should be noted that the purpose of the scale must be considered when assessing whether or not the Alpha coefficient is of an acceptable level.

3.4.1. Attraction Scale.

The questionnaire that accompanied the job advertisements to assess perceived attraction to the job was taken from Highhouse, Lievens and Sinar’s (2003) Attraction Questionnaire found in Table 3.1. The original questionnaires contained three subscales that assessed attractiveness, prestige and behavioural intentions for organisational pursuit. The scales were modelled on Fishbein and Ajzen’s theory of reasoned action. The questionnaire used a 5-point Likert-type response scale (1=Strongly Agree, 5=Strongly Disagree). The questionnaire contained five questions that assessed attraction to a job. The factor loadings were assessed and for each item on the attraction scale on a Standardised Parameter Estimate for the three factor model (Highhouse, Lievens, & Sinar, 2003). The factor loadings were all found to be >.60. The internal consistency of the three scales was assessed using Cronbach’s Alpha. The subscale of company attractiveness scores had an alpha equal to .88 (Highhouse, Lievens, & Sinar, 2003). Therefore this scale was chosen to assess attractiveness. The scale was adapted to include attraction to the job rather than attraction to a company as the original questionnaire assessed. This was done by replacing the word company with the word job, which was a minor adaptation to the attraction scale.

Table 3-1:

*Highhouse, Lievens and Sinar (2003) Attraction Survey Items and Scale*

<table>
<thead>
<tr>
<th>Question</th>
<th>Item Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>For me, this would be a good job.</td>
</tr>
<tr>
<td>2</td>
<td>I would not be interested in this job except as a last resort.¹</td>
</tr>
<tr>
<td>3</td>
<td>This job is attractive to me for employment.</td>
</tr>
<tr>
<td>4</td>
<td>I am interested in learning more about this job.</td>
</tr>
<tr>
<td>5</td>
<td>This job is very appealing to me.</td>
</tr>
</tbody>
</table>

¹. Reverse scored.

3.4.2. Total Rewards Questionnaire.

The second questionnaire that was chosen for this study was developed using the WorldatWork Total Rewards model and was taken from Pregnolato (2010), in order to
determine which total rewards were perceived to be most important when deciding whether
to stay or to leave their current job or organisation. The main aim of using this questionnaire
in the survey was to establish whether participants, when given the choice, will perceive any
rewards less favourably. Therefore, if the participants were asked purely to rate their
attractiveness to specific rewards, would they more likely respond favourably on the rating
scale regardless of the type of reward being offered. If the responses do not differ and the aim
is satisfied then it indicates that there is support for an experimental design which is able to
differentiate between the rewards being offered.

Responses were recorded on a 5-point Likert-type scale on which 1 represented “Not at all
important” and 5 “Very Important”. The scale comprised 20 questions covering six total
rewards namely: 1) Performance and Recognition; 2) Work-Life Balance; 3) Learning; 4)
Career Advancement; 5) Remuneration; and 6) Benefits. Performance and Recognition was
covered by five items, Work-Life Balance by eight items, Learning by two items, Career
Advancement by two items, Remuneration by two items and Benefits by one item
(Pregnolato, 2010), see Appendix A. The EFA derived factor structure for the Total rewards
questionnaire utilised in Pregnolato’s (2010) research, indicated higher Cronbach Alpha
scores than the original questionnaire. The Cronbach Alpha scores respectively are the
following: 1) Performance and Recognition (.675); 2) Work-Life Balance (.728); 3) Learning
(.691); 4) Career Advancement (.697); 5) Remuneration Benefits (.693) (Pregnolato, 2010).

3.4.3. Job Advertisements.
The materials that were used in this current experiment were pre-designed job advertisements
for fictitious prospective job vacancies. The job advertisements were based on real life
scenarios of job advertisements and were modelled accordingly (Appendix B). The job
advertisements were designed as hypothetical job advertisements for a job vacancy. Each job
advertisement used a different combination of levels of non-financial reward elements. Each
advertisement was created according to an effect coding matrix for the 2^3 Factorial Design
which will provide all possible combinations of each reward element level with another
(Dziak, Nahum-Shani, & Collins, 2012). The reward element levels that were first derived
from Pregnolato’s (2010) research, in which each reward element had three levels (low,
medium, and high), were changed to include only two levels for each reward element. Two
levels were chosen due to the complexity of the multiple interactions of the Full-factorial
experimental design. The two levels chosen were either present or non-present. This was
because the reward elements could either be included or excluded in a job advertisement, and the design of the job advertisements with the inclusion of high, medium, and low levels may not have been easily differentiated by the participants (Table 3.2).

The sample size requirements for a Factorial Experimental design required a minimum of 20 participants per condition. Therefore if more levels had been included, for example three levels per indicator, then a 3x3x3 Experimental design would have required a large minimum sample of 540 participants. The sample size would have presented a problem with data collection from such a large sample size. Therefore two levels indicators per reward element were considered to be most suitable. The two levels of present (1) and not present (0) used the level indicators identified from Pregolato’s (2010) research (Figure 3.1).
Table 3-2:

Effect Coding Matrix for the 2x2x2 Full-factorial Designs

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>X₁</th>
<th>X₂</th>
<th>X₃</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

0: Non-presence of reward element level in job advertisement
1: Presence of reward element level in job advertisement
<table>
<thead>
<tr>
<th>Attributes</th>
<th>Level</th>
<th>Level Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Learning</strong></td>
<td>3</td>
<td>On-the job training</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Tertiary Education Tuition Assistance</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Leadership/Management development programmes</td>
</tr>
<tr>
<td><strong>Career Advancement</strong></td>
<td>3</td>
<td>Promotion within current business unit /function</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Exposure to opportunities /projects outside of your current department / business unit - may include overseas assignments</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Fast tracking career progression to executive or senior management levels</td>
</tr>
<tr>
<td><strong>Remuneration</strong></td>
<td>3</td>
<td>Base salary targeting the middle of the market</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Base salary targeting the upper end of the market</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Base salary targeting the top end of the market &amp; Retention bonus</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td>3</td>
<td>0% Employer contribution to retirement fund plus basic medical cover</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Employer contributes 50% of total retirement fund contribution plus moderate level of medical cover</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Employer contributes 100% of total retirement fund contribution plus highest level of medical cover</td>
</tr>
<tr>
<td><strong>Work-life Balance</strong></td>
<td>3</td>
<td>Flexible Work hours</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Work from home</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Reduced work schedule or work load</td>
</tr>
<tr>
<td><strong>Performance and Recognition</strong></td>
<td>3</td>
<td>On the spot awards e.g. gift vouchers, verbal recognition</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Short term incentive linked to your performance</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Short term incentives linked to your performance plus Stock Options or Shares</td>
</tr>
</tbody>
</table>

1=highest level, 2=intermediate level, 3= lowest level

*Figure 3-1*: Attributes and levels for the conjoint task as derived from the Remuneration Managers.

3.5. Data Collection Tools and Procedure

The job advertisements which were assessed with a manipulation check were pre-designed, generated and uploaded onto Qualtrics Research Suite which is an online survey software program. An accompanying electronic survey was generated online using Qualtrics software. The survey contained the eight hypothetically generated job advertisements and accompanying the job advertisements was the Attraction Questionnaire (Highhouse, Lievens, & Sinar, 2003) which formed the first section of the electronic survey. The second section contained the Total Rewards questionnaire (Pregnolato, 2010). The last section of the online survey contained the demographic questions that determined the demographics of the participants. This section consisted of age, gender, designated employment group, country, employment status, employments duration, career position, and the industry the participant works in.

The participants were sent an electronic mail with a cover letter (Appendix C) explaining briefly the aim of the study as well as providing the contact details of the researchers if there were any queries or concerns. Accompanying the cover letter was an embedded electronic hyperlink to the survey on Qualtrics. The letter of approved ethics from the UCT Commerce Ethics Committee was included in the electronic mail as an additional attachment. Details of the purpose of the study and researcher contacts were made available again in the cover letter of the electronic survey on Qualtrics once the hyperlink was followed (Appendix D). Instructions for completion of the survey were given clearly at the start of each section.

The survey was incentivised with a Lucky Draw for a retail voucher to the value of R500 in order to assist with data collection from participants which was included in the Qualtrics cover letter. The last section also allowed participants to fill in their email addresses if they required the results of the dissertation and so that the lucky draw winner could be contacted. The survey was estimated to take 10-15 minutes to complete and a progress bar was included throughout the survey so that participants could monitor their progress in the questionnaire, which was included to assist in reducing respondent fatigue (Appendix E).

The survey contained in the electronic mail was sent to a convenience sample of known employees such as peers, colleagues, and family members who were requested to forward the survey on to other employee connections. This type of sampling method is called snowball sampling, in which the survey was spread by several different sources who continued to
spread the survey (Salkind, 2009). Once the participant clicked on the electronic hyperlink, a randomly assigned job advertisement with specific reward element combinations was viewed. The randomisation of the advertisements was controlled through Qualtrics which randomly assigned participants to a specific condition. Only the job advertisements were randomly assigned and the accompanying Attraction and Total Rewards questionnaires were kept constant. The participants were not allowed to view more than one advertisement to compare the reward elements in the different job advertisements or to repeat the measure. Once a response was entered it was automatically saved online, although respondents were able to navigate back to previous answers for review or clarification of the instructions. The results were recorded online through Qualtrics software. The use of an online data collection tool enabled less experimenter bias and experimenter effects.

3.5.1. Randomisation.

The sample was a non-probability, more specifically a convenience sample, which means that the probability of selecting an individual is not known. It therefore cannot be claimed that the sample is representative of the target population. The reason that non-probability convenience sampling was chosen for the current study was due to the fact that the sample was unknown and therefore the likelihood of any one the participants being selected could not be computed. In this current study the participants were taken from a captive and easily accessible audience of peers, colleagues, family members and the snowball sampling connection from each of these groups. An agreement with specific organisations was not made as the aim was to assess employees in various industries. Therefore the final sample could not be calculated and a convenience sample was relied upon.

Each convenience sample participant was randomly assigned to a job advertisement as an alternative method to random selection. The random assignment to each job advertisement was calibrated on Qualtrics software which meant that each participant completed the same attractiveness questionnaire with a different job advertisement. This experimental design allowed the independent variables to be manipulated and controlled (reward elements in the job advertisements) and the dependent variable (job attraction) depended on the participants being randomly assigned to a condition. Therefore the random assignment to job advertisements or experimental conditions satisfied the randomisation requirements for the current experimental study, in that each participant had an equal and independent chance of being assigned to an experimental condition.
3.6. Research Participants

The target population and sample selection for this research was surveyed and included a demographic section for the respondents. The demographic categories that were included in order to describe the participants in the study were the following: age, gender, race/designated employment group, country of origin, current employment status, length of time employed at current organisation, career position, and which industry the current job is held in. These demographic categories will be utilised in describing the sample selection in the results of this study.

The countries of origin that the participants came from included the following Table 3.3. The most common country of origin was South Africa with 78.9% of the participants with the remainder of the participants from ten other countries.

Table 3-3:

Demographics of Country of Origin

<table>
<thead>
<tr>
<th>Which country are you from?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>1</td>
<td>.6</td>
<td>.6</td>
<td>.6</td>
</tr>
<tr>
<td>Brazil</td>
<td>1</td>
<td>.6</td>
<td>.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Canada</td>
<td>1</td>
<td>.6</td>
<td>.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Finland</td>
<td>1</td>
<td>.6</td>
<td>.6</td>
<td>2.3</td>
</tr>
<tr>
<td>Germany</td>
<td>1</td>
<td>.6</td>
<td>.6</td>
<td>2.9</td>
</tr>
<tr>
<td>Namibia</td>
<td>4</td>
<td>2.2</td>
<td>2.3</td>
<td>5.1</td>
</tr>
<tr>
<td>South Africa</td>
<td>142</td>
<td>78.9</td>
<td>81.1</td>
<td>86.3</td>
</tr>
<tr>
<td>United States of America</td>
<td>12</td>
<td>6.7</td>
<td>6.9</td>
<td>93.1</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>4</td>
<td>2.2</td>
<td>2.3</td>
<td>95.4</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>2.8</td>
<td>2.9</td>
<td>98.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3</td>
<td>1.7</td>
<td>1.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>175</td>
<td>97.2</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>5</td>
<td>2.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>180</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following Table 3.4 represents the participants in the current study. The research participants can be summarised as being predominantly from South Africa, white, female
non-management employees who work in Human Resources and are primarily between 34 and 35 years of age.

Table 3-4:

*Research Participants for Gender, Race, Career Position and Industry*

<table>
<thead>
<tr>
<th>Demographic Group</th>
<th>Number of Participants (N)</th>
<th>Percentage of Participants (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>55</td>
<td>32</td>
</tr>
<tr>
<td>Female</td>
<td>116</td>
<td>68</td>
</tr>
<tr>
<td><strong>Race</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>109</td>
<td>60.6</td>
</tr>
<tr>
<td>Black</td>
<td>43</td>
<td>23.9</td>
</tr>
<tr>
<td>Coloured</td>
<td>11</td>
<td>6.1</td>
</tr>
<tr>
<td>Indian</td>
<td>10</td>
<td>5.6</td>
</tr>
<tr>
<td>Asian</td>
<td>2</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Career Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-management</td>
<td>75</td>
<td>41.7</td>
</tr>
<tr>
<td>Supervisor/Team Leader</td>
<td>17</td>
<td>9.4</td>
</tr>
<tr>
<td>Middle Management</td>
<td>42</td>
<td>23.3</td>
</tr>
<tr>
<td>Senior Management</td>
<td>24</td>
<td>13.3</td>
</tr>
<tr>
<td>Executive</td>
<td>6</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Industries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banking and Financial Services</td>
<td>14</td>
<td>7.8</td>
</tr>
<tr>
<td>Human Resources</td>
<td>21</td>
<td>11.7</td>
</tr>
<tr>
<td>Mining</td>
<td>17</td>
<td>9.4</td>
</tr>
<tr>
<td>Consulting</td>
<td>13</td>
<td>7.2</td>
</tr>
<tr>
<td>Legal Services</td>
<td>13</td>
<td>7.2</td>
</tr>
</tbody>
</table>

**3.7. Data Analysis Tools**

The manipulation check was analysed by a Paired Samples T-Test. The results of the Attraction questionnaire were analysed using descriptive statistics and inferential statistics such as Principal Components Analysis, and Factorial or 3-way Analysis of Variance (ANOVA) by means of IBM SPSS 21 (IBM, 2012). The data obtained with the Total Rewards questionnaire was analysed using Principal Components Analysis and descriptive statistics.
CHAPTER 4

RESULTS

The purpose of this chapter is to present and discuss the statistical results obtained from the various analyses performed. The hypothesis was statistically analysed: Non-financial rewards (Work-life Balance, Learning, and Career Advancement) have a significant effect on perceived job attractiveness. The data from the manipulation check of the job advertisements is presented using a paired samples t-test. The Non-Financial Reward Attraction questionnaire’s validity and reliability was assessed using Principal Component Analysis and Direct Oblimin Rotation. Descriptive statistics were used to assess the Non-financial Reward (NFR) results, which was followed by a Factorial Analysis of Variance to assess the main effects and interaction effects of Work-life Balance, Learning and Career Advancement. Lastly, the Total Rewards Questionnaire was assessed via Exploratory Factor Analysis using Direct Oblimin Rotation, and descriptive statistics.

4.1. Job Advertisement Manipulation Check

A manipulation check for the job advertisements was conducted before the job advertisements were used in the full experiment. The aim of the manipulation check was to evaluate whether the participants were able to distinguish between the presence and non-presence of the non-financial rewards when offered as a reward for a job. The manipulation check revealed that the different levels in the advertisements did have noticeable differences in responses to the reward elements.

The designed job advertisements were sent out to ten participants from a similar sample group of employees. The manipulation check indicated that the job advertisements did not need to be altered as there were no significant problems identified with the advertisements. If the manipulation check had revealed problems with the job advertisements, in that participants were unable to differentiate between the presence and non-presence of the non-financial rewards, a second manipulation check would have been conducted to reassess the advertisements and the advertisements would have been adjusted accordingly. The non-financial reward levels would have been reassessed in order to find clearly distinguishable level indicators for the presence of the problematic reward levels. However, as this was not a
problem, the level indicators that were sourced from Pregnolato’s (2010) research were retained as clearly distinguishable level indicators for each of the non-financial rewards.

Ten participants were asked to participate in a small survey that assessed on a Likert-type scale, how attractive the respective non-financial reward element levels were. For example, the participants was asked how attractive they found the presence of work-life balance as well as how attractive they found the non-presence of work-life balance as a possible reward element for a prospective job. This assessment was repeated for Career Advancement and Learning.

Accompanying the Likert-type survey items was a qualitative response section which assessed what participants thought work-life balance, career advancement, and learning were inclusive of when offered as a job reward. The aim of the qualitative section was to assess whether the participants were able to identify similar themes, words or ideas that were included as part of the reward elements in the job advertisements without being prompted. For each reward element, the participant was asked to explain what they thought was included as part of work-life balance, career advancement, or learning. The Table 4.1 represents the selected and summarised themes that were identified by the participants in the qualitative section. The responses were found to support the proposed level indicators for work-life balance, career advancement and learning.
Table 4-1:

Qualitative Participant Response Summary for Manipulation Check of level Indicators of Reward Elements

<table>
<thead>
<tr>
<th>Work-life Balance</th>
<th>Career Advancement</th>
<th>Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summarised responses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexible working hours, choices of payroll related resources</td>
<td>New roles open up</td>
<td>Course related to current job</td>
</tr>
<tr>
<td>Flexi-time, unrestricted leave</td>
<td>Option to apply for other positions within company</td>
<td>Constant feedback and performance evaluations</td>
</tr>
<tr>
<td>Opportunities to work from home</td>
<td>Recognition through changes to title and responsibility</td>
<td>External academic/professional courses</td>
</tr>
<tr>
<td>Company sponsored family events</td>
<td>Opportunity to study further</td>
<td>Exchange/secondment</td>
</tr>
<tr>
<td>Family friendly company policies</td>
<td>Growth management and training programmes</td>
<td>Ability to study further during time of employment</td>
</tr>
<tr>
<td>Maternity/family responsibility leave,</td>
<td>Promotion opportunities within the company</td>
<td>Company sponsored courses for management (MBS etc.)</td>
</tr>
<tr>
<td>Ability to work from home</td>
<td>Incentives</td>
<td>Regular guest speakers</td>
</tr>
<tr>
<td>Ability to leave early when achieved targets as a great reward for hard work.</td>
<td>Internal growth and promotion,</td>
<td>Job rotation,</td>
</tr>
<tr>
<td></td>
<td>Increased salary and upward movement in company.</td>
<td>Study allowance per term</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Training and exposure to new skills.</td>
</tr>
</tbody>
</table>

4.1.1. Paired Samples T-test.
The descriptive statistics that were assessed for each of the two groups and the associated reward elements are shown in Table 4.2. For work-life balance (WLB) only nine people responded, while for career advancement (CA) and Learning (L) there were ten responses. For the means scores of attractiveness obtained when presenting the respective reward elements, a large deviation existed for each of the reward elements. The descriptive statistics corroborated the estimation for the reward element levels.
The inferential statistics for the t-test is identified in Table 4.2. If $p \leq \alpha$ when $p=0.05$, then reject $H_0$. WLB ($p = .040; p \leq \alpha$), CA ($p = .000; p \leq \alpha$), and L ($p = .000; p \leq \alpha$), is less than or equal to .05, so we reject $H_0$ for WLB, CA, and L.

Table 4-2:

**Paired Samples Statistics for Manipulation Check**

<table>
<thead>
<tr>
<th>Paired Samples Statistics</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-life balance included</td>
<td>4.33</td>
<td>9</td>
<td>1.323</td>
<td>.441</td>
</tr>
<tr>
<td>Work-life balance excluded</td>
<td>2.44</td>
<td>9</td>
<td>1.424</td>
<td>.475</td>
</tr>
<tr>
<td>Pair 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career advancement included</td>
<td>4.40</td>
<td>10</td>
<td>.699</td>
<td>.221</td>
</tr>
<tr>
<td>Career advancement excluded</td>
<td>1.30</td>
<td>10</td>
<td>.675</td>
<td>.213</td>
</tr>
<tr>
<td>Pair 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning included</td>
<td>4.90</td>
<td>10</td>
<td>.316</td>
<td>.100</td>
</tr>
<tr>
<td>Learning excluded</td>
<td>1.50</td>
<td>10</td>
<td>.850</td>
<td>.269</td>
</tr>
</tbody>
</table>

A paired samples $t$-test (see Table 4.3) revealed a statistically significant difference between the means of Work-life Balance when present and Work-life Balance when not present (WLB P: $M = 4.33$, $SD = 1.32$; WLB NT: $M = 2.44$, $SD = 1.42$; $t (8) = 2.447$, $p = .040$, $\alpha = .05$). The eta squared statistic (.43) indicated a large effect size.

A paired samples $t$-test revealed a statistically significant difference between the mean number of Career Advancement when present and Career Advancement when not present (CA P: $M = 4.40$, $SD = .699$; CA NP: $M = 1.30$, $SD = .675$; $t (9) = 7.609$, $p = .000$, $\alpha = .05$). The eta squared statistic (.87) indicated a large effect size.

A paired samples $t$-test revealed a statistically significant difference between the mean number of Learning when present and Learning when not present (L P: $M = 4.90$, $SD = .316$; L NP: $M = 1.50$, $SD = .850$; $t (9) = 10.002$, $p = .000$, $\alpha = .05$). The eta squared statistic (.92) indicated a large effect size (Pallant, 2005).

Therefore, based on the results found for the Paired Samples T-test, the job advertisements were considered to be appropriate for use in the experiment.
Table 4-3:

Paired Samples T-test for the Manipulation Check

<table>
<thead>
<tr>
<th>Paired Samples Test</th>
<th>Paired Differences</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>Std. Deviation</td>
<td>Std. Error Mean</td>
<td>95% Confidence Interval of the Difference</td>
<td>Lower</td>
</tr>
<tr>
<td>Pair 2</td>
<td>Career advancement included – Career advancement excluded</td>
<td>3.100</td>
<td>1.287</td>
<td>.407</td>
</tr>
</tbody>
</table>

4.2. Missing Values

There were a limited number of missing values across the various scales. The missing values in the data needed to be addressed before the data was analysed. Therefore the options for dealing with missing values were explored. Both list-wise deletion and pairwise deletion were considered. List-wise deletion would typically be used as a default option into most statistical analyses (Acock, 2005). List-wise deletion requires the deletion of complete cases where there are missing values for any of the variables. This deletion technique was not used as it carries the risk of reducing the sample size which could have resulted in sampling bias and a loss of statistical power (Acock, 2005).

The missing values were found to be random across both the Attraction questionnaire and the Total Rewards questionnaire. The data that was most vital to this research was obtained from the first Attraction questionnaire, as the second questionnaire was a supplementary questionnaire to corroborate Pregnolato’s (2010) research and to support the use of the experimental design. Therefore the data was assessed for missing values across the first questionnaire and this data was removed through list-wise deletion. Missing values were found on the second questionnaire, whilst the first questionnaire remained completed. This data was not deleted as deleting the data from the first scale would reduce the sample size and statistical power for the Experimental design, which as mentioned is vital to this research. The sample size for the second Total Rewards questionnaire was not affected by the
reduction of the missing values by list-wise deletion. The total number of missing values reduced the sample size, however the sample size was still found to be appropriate for a $2^3$ Full-factorial Experimental Design. The initial sample size before missing values were deleted was 179 participants, however when the missing values were deleted the sample size decreased to 171. Therefore the deletion of missing values did not significantly alter the overall sample size and therefore the data analysis was resumed.

4.3. Attraction Questionnaire

4.3.1. Validity and reliability.
Principal Components Analysis (PCA) was used to establish whether the Attraction questionnaire indicated construct validity and whether the scale was, in fact, measuring employee attraction to reward elements. PCA is used to gather information about the interrelationships among a set of variables and to assess the suitability of the data for analysis (Pallant, 2005). The suitability of the data for factor analysis is first assessed with the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy which should be $\geq 0.6$ and the Bartlett’s test of Sphericity should be significant with $p < 0.05$ (Pallant, 2005). The extraction method used was Principle Component Analysis with Kaiser Normalisation which allows for the full extraction of all possible factors. Only factors that have an eigenvalue $>1.0$ are retained for further investigation (Pallant, 2005). A rotational method was not used for the current study as it is a unidimensional scale, in which attractiveness is the only factor. PCA was used to test the unidimensionality of the scale. The inclusion criterion for Factor Analysis indicates that factor loadings need to be $> 0.44$ (Miller, Acton, & Fullerton, 2002). If items did not meet this inclusion criteria, the items were removed and the Factor Analysis was repeated until the factor loadings were indicated to be $>0.44$ (Miller, Acton, & Fullerton, 2002).

The internal consistency was derived by means of calculating Cronbach Alpha coefficients. Cronbach Alpha coefficients above 0.70 are considered satisfactory, while coefficients of $<0.6$ are considered poor (Pallant, 2005). The variance coefficients were analysed to determine whether the PCA derived factor structure was reliable or not. If the PCA derived structure was found to be more reliable than another structure, that factor derived structure would be adopted for the on-going analysis.
4.3.2. Factor analysis.

The 5-items of the Non-Financial Reward Attraction questionnaire were subjected to Principal Components Analysis (PCA) using SPSS version 21. Prior to performing PCA the suitability of the data for factor analysis was assessed. The KMO value was >0.6 (.873), and the Bartlett’s test reached statistical significance ($p<.000$). Therefore it was considered appropriate to conduct PCA on this data. The Kaiser’s criterion revealed one component with an eigenvalue exceeding one (Table 4.4), in which 78.3% of the variance was explained (Pallant, 2005). Using Catell’s (1966) scree test, it was decided to retain one component for further investigation. The extraction of factors therefore corroborated the unidimensionality of the scale and therefore no rotational method was used.

Factor loadings are suggested to be considered salient to a factor when the loadings exceed >0.44 (Miller, Acton, & Fullerton, 2002). The component matrix was assessed as to whether there were strong loadings for all the factors exceeding >0.44 (Table 4.5). The results of this analysis supported the use of the Non-financial Reward Attraction unidimensional scale with all 5-items, and the reliability of the scale was therefore assessed (Pallant, 2005).

Table 4-4:

Principal Components Analysis for Attraction questionnaire

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
</tr>
<tr>
<td>1</td>
<td>3.914</td>
<td>78.284</td>
</tr>
<tr>
<td>2</td>
<td>0.479</td>
<td>9.571</td>
</tr>
<tr>
<td>3</td>
<td>0.298</td>
<td>5.968</td>
</tr>
<tr>
<td>4</td>
<td>0.195</td>
<td>3.894</td>
</tr>
<tr>
<td>5</td>
<td>0.114</td>
<td>2.283</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Table 4-5:

Component Matrix for Factor Analysis of the Attraction Questionnaire

<table>
<thead>
<tr>
<th>Component Matrix *</th>
<th>Component 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. For me this would be a good job</td>
<td>.903</td>
</tr>
<tr>
<td>2. I would not be interested in this job except as a last resort</td>
<td>.866</td>
</tr>
<tr>
<td>3. This job is attractive to me for employment</td>
<td>.935</td>
</tr>
<tr>
<td>4. I am interested in learning more about this job</td>
<td>.791</td>
</tr>
<tr>
<td>5. This job is very appealing to me</td>
<td>.922</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

* 1 components extracted.

4.3.3. Reliability analysis.

The reliability of the proposed 5-item Attraction questionnaire was assessed according to the Cronbach Alpha values in Table 4.6. The Attraction questionnaire consisted of five items and showed good internal consistency (Cronbach α = .917). The 5-item Attraction questionnaire was thus considered reliable (item-total correlations: 0.877< r < 0.928). Each of the five scale items were assessed according to the Cronbach Alpha α value. Item 4 indicated that if taken out it would increase the Cronbach Alpha score to .928. However while there is an increase in score, the increase from .917 to .928 is relatively small and does not change the internal consistency of the scale if it were removed. The Item-total Correlation value of Item 4 is also relatively high which indicates that it is a reliable item. Therefore all five items were included and the 5-item scale was not reduced.
Table 4-6:

*Item-Total Statistics for Reliability Analysis of the 5-item Attraction Questionnaire*

<table>
<thead>
<tr>
<th>Item</th>
<th>Scale Mean if Item Deleted</th>
<th>Scale Variance if Item Deleted</th>
<th>Corrected Item-Total Correlation</th>
<th>Cronbach's Alpha if Item Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. For me this would be a good job</td>
<td>13.51</td>
<td>15.089</td>
<td>.793</td>
<td>.897</td>
</tr>
<tr>
<td>2. I would not be interested in this job except as a last resort</td>
<td>13.41</td>
<td>15.282</td>
<td>.771</td>
<td>.901</td>
</tr>
<tr>
<td>3. This job is attractive to me for employment</td>
<td>13.59</td>
<td>13.941</td>
<td>.885</td>
<td>.877</td>
</tr>
<tr>
<td>4. I am interested in learning more about this job</td>
<td>13.11</td>
<td>15.552</td>
<td>.636</td>
<td>.928</td>
</tr>
<tr>
<td>5. This job is very appealing to me</td>
<td>13.82</td>
<td>13.711</td>
<td>.860</td>
<td>.882</td>
</tr>
</tbody>
</table>

**4.3.4. Descriptive Statistics**

**4.3.4.1. Non-Financial reward Attraction Survey.**

The means and standard deviations of each of the Non-financial Reward Attraction questionnaire dimensions were calculated assessed (Table 4.7). The descriptive statistics indicated that for all five items the mean distribution of scores were relatively similar and varied marginally from $M=3.04$ and $M=3.75$, with the lowest ($M=3.04$, $SD=1.17$) for item 5, and the highest mean score ($M=3.75$, $SD=1.13$) for item 4. The standard deviation scores for all five items were varied marginally in the same way as the mean scores with the lowest $SD=1.027$ and the highest $SD=1.169$ respectively.

The skewness and kurtosis values for each attraction dimension were assessed accordingly. When the left tail is more pronounced than the right tail, the function is said to have negative skewness. If the reverse is true then the function is said to have positive skewness (Weisstein, 2013). Items 1 to 4 were observed to be negatively skewed with the exception of item 5 which was marginally positively skewed with a value of .072. The kurtosis measure is indicative for the peak of the distributed data. Positive values ($K>0$) imply a leptokurtic distribution which indicates that the distribution is narrow and tall, while negative values ($K<0$) imply a platykurtic distribution which indicates that the data is distributed lower and flatter (Field, 2005). The skewness assessed the symmetry of the distribution for the data and all five items resulted with kurtosis values $K<0$ which indicated that the data is distributed...
lower and flatter, with the kurtosis values ranging from -0.139 to -1.012 for item 4 and item 5 respectively.

Table 4-7:

Descriptive Statistics for Non-Financial Attraction Survey

<table>
<thead>
<tr>
<th>Statistic</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. For me this would be a good job</td>
<td>180</td>
<td>1</td>
<td>5</td>
<td>3.35</td>
<td>1.033</td>
<td>-.498</td>
<td>-.665</td>
</tr>
<tr>
<td>2. I would not be interested in this job except as a last resort</td>
<td>180</td>
<td>1</td>
<td>5</td>
<td>3.46</td>
<td>1.027</td>
<td>-.286</td>
<td>-.558</td>
</tr>
<tr>
<td>3. This job is attractive to me for employment</td>
<td>180</td>
<td>1</td>
<td>5</td>
<td>3.27</td>
<td>1.112</td>
<td>-.421</td>
<td>-.887</td>
</tr>
<tr>
<td>4. I am interested in learning more about this job</td>
<td>180</td>
<td>1</td>
<td>5</td>
<td>3.75</td>
<td>1.133</td>
<td>-.870</td>
<td>-.139</td>
</tr>
<tr>
<td>5. This job is very appealing to me</td>
<td>180</td>
<td>1</td>
<td>5</td>
<td>3.04</td>
<td>1.169</td>
<td>.072</td>
<td>.181</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>180</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


The cumulative attraction mean values, standard deviation, skewness and kurtosis values can be seen in Table 4.8 and a visual representation is shown in Figure 4.1. The data indicates
that $M=3.37$, $SD=.95$ with the data distribution $y=-.300$ which indicates that the data was skewed to the right. The Kurtosis value ($K=-.78$) indicated that the data was distributed relatively flatter and lower (Weisstein, 2013).

Table 4-8:

_Cumulative Score on the Attractiveness Measure Y_

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Y_Atract</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>177</td>
<td></td>
</tr>
<tr>
<td>N Missing</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>3.369</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>3.600</td>
<td></td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>.9497</td>
<td></td>
</tr>
<tr>
<td>Skewness</td>
<td>-.300</td>
<td></td>
</tr>
<tr>
<td>Std. Error of Skewness</td>
<td>.183</td>
<td></td>
</tr>
<tr>
<td>Kurtosis</td>
<td>-.775</td>
<td></td>
</tr>
<tr>
<td>Std. Error of Kurtosis</td>
<td>.363</td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>Maximum</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>Percentiles 25</td>
<td>2.600</td>
<td></td>
</tr>
<tr>
<td>Percentiles 75</td>
<td>4.000</td>
<td></td>
</tr>
</tbody>
</table>
The manipulation check that was conducted in section 4.1 using a paired samples \( t \)-test revealed a statistically reliable difference between the mean numbers for the non-financial rewards, Work-life Balance (WLB), Career Advancement (CA) and Learning (L), when present and not present.

When the descriptive statistics were run for the entire sample \( N=171 \), the differences between the mean numbers were assessed for Work-life Balance. Work-life Balance when present (Figure 4.2) indicated \( (M=3.65, SD=.80) \) with a negative skewness (-.40) and kurtosis \( (K=-.17) \). When WLB was not present (Figure 4.3) the data indicated \( (M=2.86, SD=1.01) \) with a marginally positive skewness (.02) and kurtosis \( (K=-1.12) \). The data therefore indicated that there were differences in mean scores of attraction when WLB was present or not present (Figure 4.4).

**Figure 4-1:** Cumulative Attraction Scores

The manipulation check that was conducted in section 4.1 using a paired samples \( t \)-test revealed a statistically reliable difference between the mean numbers for the non-financial rewards, Work-life Balance (WLB), Career Advancement (CA) and Learning (L), when present and not present.

When the descriptive statistics were run for the entire sample \( N=171 \), the differences between the mean numbers were assessed for Work-life Balance. Work-life Balance when present (Figure 4.2) indicated \( (M=3.65, SD=.80) \) with a negative skewness (-.40) and kurtosis \( (K=-.17) \). When WLB was not present (Figure 4.3) the data indicated \( (M=2.86, SD=1.01) \) with a marginally positive skewness (.02) and kurtosis \( (K=-1.12) \). The data therefore indicated that there were differences in mean scores of attraction when WLB was present or not present (Figure 4.4).
**Figure 4-2:** Histogram of Work-life Balance when Present

**Figure 4-3:** Histogram of Work-life Balance when Not Present
When the descriptive statistics were run for the entire sample \( N=171 \), the differences between the mean numbers were assessed for Learning. Learning when present (Figure 4.5) indicated \( (M=3.56, SD=.82) \) with a negative skewness \((-0.33)\) and kurtosis \((-1.07)\). When Learning was not present (Figure 4.6) the data indicated \( (M=3.18, SD=1.03) \) with a negative skewness \((-0.11)\) and kurtosis \((-1.07)\). The data therefore indicated that there were differences in mean scores for attraction when Learning was present or not present (Figure 4.7). The differences that were identified do show marginal mean differences, however there is a clear visual depiction that when Learning is present, the attraction scores do increase.

Figure 4-4: Boxplot of Work-life Balance and Attraction
**Figure 4-5:** Histogram of Learning when Present

**Figure 4-6:** Histogram of Learning when Not Present
When the descriptive statistics were run for the entire sample $N=171$, the differences between the mean numbers were assessed for Career Advancement. Career Advancement when present (Figure 4.8) indicated ($M=3.63$, $SD=.92$) with a negative skewness (-.53) and kurtosis ($K=-.54$). When CA was not present (Figure 4.9) the data indicated ($M=3.09$, $SD=.90$) with a negative skewness (-17) and kurtosis ($K=-.82$). The data therefore indicated that there were differences in mean scores when CA was present or not present (Figure 4.10). The visual interpretation indicates that when Career Advancement is present the attraction scores do increase and have a higher increase than Learning.
Figure 4-8: Histogram of Career Advancement when Present

Figure 4-9: Histogram of Career Advancement when Not Present
4.3.4.3. **Descriptive statistics for race and gender.**

The descriptive statistics results for the Attraction survey and specific demographics groups were evaluated and were graphically represented using boxplots.

The descriptive statistic results for Designated Employment Group (Figure 4.11) indicated that the mean values for the different groups did not have large differences in the mean scores: Black ($M=3.06, SD=.91$), White ($M=3.47, SD=.93$), Coloured ($M=3.28, SD=1.02$), Indian ($M=3.64, SD=1.00$) and Asian ($M=2.70, SD=1.27$). The designated employment groups were visually indicated to have differed marginally on the mean scores for each group. The disparity between scores is very minimal and only one outlier was identified across all the groups.

*Figure 4-10: Boxplot of Career Advancement and Attraction to Non-financial Rewards*
From the descriptive statistics for Gender (Figure 4.12) it was indicated that the mean values for the different gender groups for Male and Female did have large differences in the mean scores as well as the skewness and kurtosis values, which are visually represented in Figure 4.13 for Males and Figure 4.14 for Females. The descriptive statistics for Female’s attraction to nonfinancial rewards was the following: $(M=3.54, SD=.87)$, with a negatively skewed distribution of data (-.42) and kurtosis value of $K=-.25$. The descriptive statistics for Male’s attraction to non-financial rewards was the following: $(M=2.95, SD=.997)$, with a positively skewed distribution of data (.196) and kurtosis value of $K=1.14$.

These results suggest that females are more likely to be attracted to non-financial rewards for a prospective job than males, according to the descriptive mean score differences. However these results merely indicate a significant difference in means scores between the genders, female and male, but not which non-financial reward elements are responsible for the differences in attraction scores or whether they are statistically significant.

Therefore, in the next section an Analysis of Variance was conducted, in which the interaction and main effects with gender, race and age were explored.
Figure 4-12: Gender and Attraction to Non-financial Rewards

Figure 4-13: Histogram of Male Attraction Scores
Factorial ANOVA was used to test the statistical differences between the means of the three groups non-financial reward elements namely, Work-life Balance, Career Advancement and Learning, with two level indicators per condition which were present and non-present (Hair, Anderson, Tatham, & Black, 1987). Factorial ANOVA compares the variance between the different groups with the variability within each of the groups. An F ratio indicates whether there is more variability between the groups than there is within the groups. The Factorial ANOVA indicated whether the F ratio was significant or not, which further indicated whether to reject or fail to reject the null hypothesis (Pallant, 2005).

A three-way ANOVA was used in order to test the main effects for each of the independent variables and to also explore the possible interaction effects, in which an interaction effect “occurs when the effect of one independent variable on the dependent variable depends on the level of a second or third independent variable” (Pallant, 2005, p. 229). Before the ANOVA was analysed, Leven’s test of Equality of Error Variances was assessed to test one of the underlying assumptions of the analysis of variance. The analysis indicated that there was a significant result ($p = .030$) which suggested that the variance across the groups was not
equal. Therefore, a more stringent significance level, (sig. value .01) was set for the evaluation of the Factorial ANOVA.

Post-hoc tests were not included in the analysis, as post-hoc tests are relevant only if there are more than two levels (groups) for the independent variable. In this current study, there were only two level indicators per independent variable and therefore post-hoc tests were not appropriate for the analysis (Pallant, 2005).

4.4.1. Main effects.
The main effects for Work-life Balance, Learning and Career Advancement were each assessed using a Factorial ANOVA. The results indicated that all three factors had a statistically significant main effect. These results indicated that statistically significant main effects existed and therefore that there was a statistically significant difference between the means scores of the indicator levels, present and not present (Denis, 2011). The effect size for each independent factor was evaluated using Cohen’s criterion (1988). Guidelines suggested by Cohen (1988) state that an effect size of 0.2 is a small effect, an effect size of 0.5 is a medium effect, and an effect size of 0.8 is a large effect. The effect sizes can be seen in Table 4.12.

Work-life Balance (X1) was statistically significant ($p=.000$) and therefore indicated a mean score difference across the level indicators for present ($M=3.656$, $SD=.089$) and not present ($M=3.069$, $SD=.091$), see Table 4.9. The effect size for Work-life Balance was indicated by the Partial Eta Square score (.110). Using Cohen’s (1988) criterion, this was classified as a large effect size, which indicated that the difference between the groups has high practical significance (see Table 4.14).
Table 4-9:

Estimated Marginal means for Work-life Balance

1. Work-Life Balance
Dependent Variable: Y_Atract

<table>
<thead>
<tr>
<th>Work-Life Balance</th>
<th>Mean</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower Bound</td>
<td>Upper Bound</td>
<td></td>
</tr>
<tr>
<td>Not Present</td>
<td>3.074</td>
<td>.091</td>
<td>2.894</td>
</tr>
<tr>
<td>Present</td>
<td>3.657</td>
<td>.089</td>
<td>3.481</td>
</tr>
</tbody>
</table>

Learning (X2) was statistically significant \( (p=.008) \), and therefore indicated a mean score difference across the level indicators for present \( (M=3.534, SD=.091) \) and not present \( (M=3.191, SD=.089) \), see Table 4.10. The effect size for Learning was indicated by the Partial Eta Square score (.04). Using Cohen’s (1988) criterion, this was classified as a low effect size, which indicated that the difference between the groups has low practical significance (see Table 4.12).

Table 4-10:

Estimated Marginal means for Learning

2. Learning
Dependent Variable: Y_Atract

<table>
<thead>
<tr>
<th>Learning</th>
<th>Mean</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lower Bound</td>
<td>Upper Bound</td>
<td></td>
</tr>
<tr>
<td>Not Present</td>
<td>3.193</td>
<td>.089</td>
<td>3.017</td>
</tr>
<tr>
<td>Present</td>
<td>3.538</td>
<td>.091</td>
<td>3.358</td>
</tr>
</tbody>
</table>

Career Advancement (X3) was statistically significant \( (p=.000) \), and therefore indicated a mean score difference across the level indicators for present \( (M=3.647, SD=.089) \) and not present \( (M=3.079, SD=.091) \), see Table 4.11. The effect size for Work-life Balance was indicated by the Partial Eta Square score (.103). Using Cohen’s (1988) criterion, this was classified as a large effect size, which indicated that the difference between the groups has high practical significance (see Table 4.14).
Table 4-11:

Estimated Marginal means for Career Advancement

<table>
<thead>
<tr>
<th>Career Advancement</th>
<th>Mean</th>
<th>Std. Error</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Present</td>
<td>3.085</td>
<td>.091</td>
<td>2.904 - 3.265</td>
</tr>
<tr>
<td>Present</td>
<td>3.647</td>
<td>.089</td>
<td>3.471 - 3.823</td>
</tr>
</tbody>
</table>

Table 4-12:

Tests of Between-Subjects Effects for Work-life Balance, Learning, and Career Advancement

Main Effects

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
<th>Noncent. Parameter</th>
<th>Observed Power b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>34.521 a</td>
<td>3</td>
<td>11.507</td>
<td>16.024</td>
<td>.000</td>
<td>.217</td>
<td>48.072</td>
<td>1.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>1999.533</td>
<td>1</td>
<td>1999.533</td>
<td>2784.422</td>
<td>.000</td>
<td>.942</td>
<td>2784.422</td>
<td>1.000</td>
</tr>
<tr>
<td>NFR_X1</td>
<td>15.163</td>
<td>1</td>
<td>15.163</td>
<td>21.115</td>
<td>.000</td>
<td>.109</td>
<td>21.115</td>
<td>.995</td>
</tr>
<tr>
<td>NFR_X2</td>
<td>5.204</td>
<td>1</td>
<td>5.204</td>
<td>7.247</td>
<td>.008</td>
<td>.040</td>
<td>7.247</td>
<td>.763</td>
</tr>
<tr>
<td>NFR_X3</td>
<td>14.234</td>
<td>1</td>
<td>14.234</td>
<td>19.821</td>
<td>.000</td>
<td>.103</td>
<td>19.821</td>
<td>.993</td>
</tr>
<tr>
<td>Error</td>
<td>124.234</td>
<td>173</td>
<td>.718</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2168.320</td>
<td>177</td>
<td>.718</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>158.755</td>
<td>176</td>
<td>.718</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. R Squared = .217 (Adjusted R Squared = .204)
b. Computed using alpha = .05

The results of the AVOVA and main effects indicated that overall there was a significant difference in mean values for Work-life balance, Learning, and Career Advancement. The mean values of each reward factor were assessed and the results indicated that when Work-life Balance, Learning, or Career Advancement was present in a job offering, it was more attractive to the participants. The boxplots visually represented comparative main effects for
each independent variable with one another. The graphs indicated that when Work-life Balance and Career Advancement are included, the mean attraction value significantly increased (Figure 4.15). The comparative main effects for Learning and Career Advancement indicated that when both level variables are present the mean attraction score increased (Figure 4.16). The comparative main effects for Work-life Balance and Learning also indicated that when both factors are present the mean attraction score increased (Figure 4.17). The main effects were assessed and statistically significant results were found for each of the three non-financial rewards. Therefore the interaction effects for the non-financial rewards were assessed second.

*Figure 4-15: Boxplot Representation of the Comparative Main Effects of Work-life Balance and Career Advancement*
**Figure 4-16:** Boxplot Representation of the Comparative Main Effects of Learning and Career Advancement

**Figure 4-17:** Boxplot Representation of the Comparative Main Effects of Work-life Balance and Learning
4.4.2. Interaction effects.
The results of the ANOVA were indicated at the statistical significance level of \( p<0.05 \), the results for the interaction and main effects can be seen in Table 4.13.

The interaction effects were first assessed with X1*X2*X3. This three-way interaction between Work-life Balance, Learning and Career Advancement (X1*X2*X3) was indicated to not be statistically significant (\( p=.321 \)), which shows that there was no significant difference in the effect of non-financial rewards on Attraction for Work-life Balance, Learning, and Career Advancement (Figure 4.18).

The two-way interactions were assessed next with the first two-way interaction between Learning and Career Advancement (X2*X3) which was not statistically significant (\( p=.964 \)), and indicated that there was no significant difference in the effect of non-financial rewards on Attraction for Learning and Career Advancement (Figure 4.19).

The interaction between Work-life Balance and Career Advancement (X1*X3) was not statistically significant (\( p=.696 \)), which indicated that there is no significant difference in the effect of non-financial rewards on Attraction for Work-life Balance and Career Advancement (Figure 4.20).

The last two-way interaction between Work-life Balance and Learning (X1*X2) was not found to be statistically significant (\( p=.074 \)), which indicated that there is no significant difference in the effect of non-financial rewards on Attraction for Work-life Balance and Learning (Figure 4.21).
Table 4-13:

*Test of Between-Subjects Effects for Non-financial Factors*

**Tests of Between-Subjects Effects**

**Dependent Variable: Y_Atract**

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
<th>Noncent. Parameter</th>
<th>Observed Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>37.714</td>
<td>7</td>
<td>5.388</td>
<td>7.522</td>
<td>.000</td>
<td>.238</td>
<td>52.656</td>
<td>1.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>1991.696</td>
<td>1</td>
<td>1991.696</td>
<td>2780.831</td>
<td>.000</td>
<td>.943</td>
<td>2780.831</td>
<td>1.000</td>
</tr>
<tr>
<td>NFR_X1</td>
<td>14.951</td>
<td>1</td>
<td>14.951</td>
<td>20.875</td>
<td>.000</td>
<td>.110</td>
<td>20.875</td>
<td>.995</td>
</tr>
<tr>
<td>NFR_X2</td>
<td>5.219</td>
<td>1</td>
<td>5.219</td>
<td>7.287</td>
<td>.008</td>
<td>.041</td>
<td>7.287</td>
<td>.765</td>
</tr>
<tr>
<td>NFR_X3</td>
<td>13.909</td>
<td>1</td>
<td>13.909</td>
<td>19.419</td>
<td>.000</td>
<td>.103</td>
<td>19.419</td>
<td>.992</td>
</tr>
<tr>
<td>NFR_X1 * NFR_X3</td>
<td>.110</td>
<td>1</td>
<td>.110</td>
<td>.153</td>
<td>.696</td>
<td>.001</td>
<td>.153</td>
<td>.068</td>
</tr>
<tr>
<td>NFR_X2 * NFR_X3</td>
<td>.002</td>
<td>1</td>
<td>.002</td>
<td>.002</td>
<td>.964</td>
<td>.000</td>
<td>.002</td>
<td>.050</td>
</tr>
<tr>
<td>NFR_X1 * NFR_X2 * NFR_X3</td>
<td>.710</td>
<td>1</td>
<td>.710</td>
<td>.991</td>
<td>.321</td>
<td>.006</td>
<td>.991</td>
<td>.168</td>
</tr>
<tr>
<td>Error</td>
<td>121.042</td>
<td>169</td>
<td>.716</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2168.320</td>
<td>177</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>158.755</td>
<td>176</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. R Squared = .238 (Adjusted R Squared = .206)
b. Computed using alpha = .05

*Figure 4-18: Interaction Effect X1*X2*X3*
**Figure 4-19:** Interaction Effect X2*X3

**Figure 4-20:** Interaction Effect X1*X3
Therefore, after the analysis using Factorial ANOVA, the results indicated that there were statistically significant main effects found between each of the non-financial rewards. However, the interaction effects yielded no statistically significant results and therefore there were no interaction effects for any of the non-financial rewards.

4.4.3. Analysis of Variance for interactions of Non-financial reward Factors and demographics.

The results for the Attraction survey and specific demographics groups (Designated Employment Group, Race and Gender) were assessed using ANOVA to determine whether there were any main or interaction effects between these demographic groups and the attraction to Work-life, Learning, and Career Advancement. The demographics groups Age, Gender, and Race were selected for the analysis as these factors were also selected in Pregnolato’s (2010) research. Supportive literature also indicated that for gender, race and age there are differences in job attraction preferences and therefore the main effects for the demographic factors were assessed.

The main effects are represented in Table 4.14 and indicated a significant main effect for Gender ($p=.001$). The significant main effect for gender was further analysed by interpreting the descriptive data. As previously mentioned, female’s attraction to non-financial rewards was the following: ($M=3.54$, $SD=.87$). The descriptive statistics for male’s attraction to nonfinancial rewards was the following: ($M=2.95$, $SD=.997$). Therefore, this indicated that a
significant main effect existed for gender on attraction and specifically that females are statistically more likely to be attracted to non-financial rewards than males.

The same statistical analyses were repeated for Age (see Table 4.15). The main effects for age indicated that there was not a statistically significant main effect (.337). Therefore this indicated that age does not have a significant effect on perceived attraction.

The same statistical analyses were repeated for Race (see Table 4.16). The main effect for race indicated that there was not a statistically significant main effect (.301). Therefore this indicated that race does not have a significant effect on perceived attraction either.

Table 4-14:

*Gender and Attraction to Non-financial Rewards*

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
<th>Noncent. Parameter</th>
<th>Observed Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>41.507(^a)</td>
<td>4</td>
<td>10.377</td>
<td>15.377</td>
<td>.000</td>
<td>.270</td>
<td>61.509</td>
<td>1.00</td>
</tr>
<tr>
<td>Intercept</td>
<td>1577.480</td>
<td>1</td>
<td>1577.480</td>
<td>2337.628</td>
<td>.000</td>
<td>.934</td>
<td>2337.628</td>
<td>1.00</td>
</tr>
<tr>
<td>NFR_X1</td>
<td>14.973</td>
<td>1</td>
<td>14.973</td>
<td>22.188</td>
<td>.000</td>
<td>.118</td>
<td>22.188</td>
<td>.997</td>
</tr>
<tr>
<td>NFR_X2</td>
<td>4.596</td>
<td>1</td>
<td>4.596</td>
<td>6.810</td>
<td>.010</td>
<td>.039</td>
<td>6.810</td>
<td>.737</td>
</tr>
<tr>
<td>NFR_X3</td>
<td>8.734</td>
<td>1</td>
<td>8.734</td>
<td>12.943</td>
<td>.000</td>
<td>.072</td>
<td>12.943</td>
<td>.947</td>
</tr>
<tr>
<td>SEX</td>
<td>7.616</td>
<td>1</td>
<td>7.616</td>
<td>11.286</td>
<td>.001</td>
<td>.064</td>
<td>11.286</td>
<td>.916</td>
</tr>
<tr>
<td>Error</td>
<td>112.020</td>
<td>166</td>
<td>.675</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total</td>
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<td>171</td>
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<td></td>
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<tr>
<td>Corrected Total</td>
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<td>170</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) R Squared = .270 (Adjusted R Squared = .253)

\(^b\) Computed using alpha = .05
Table 4-15:

*Age and Attraction to Non-financial Rewards*

**Tests of Between-Subjects Effects**
Dependent Variable:  \( Y_{\text{Atract}} \)

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
<th>Noncent. Parameter</th>
<th>Observed Power(^b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>31.781(^a)</td>
<td>4</td>
<td>7.945</td>
<td>10.835</td>
<td>.000</td>
<td>.214</td>
<td>43.342</td>
<td>1.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>412.081</td>
<td>1</td>
<td>412.081</td>
<td>561.989</td>
<td>.000</td>
<td>.779</td>
<td>561.989</td>
<td>1.000</td>
</tr>
<tr>
<td>NFR_X1</td>
<td>13.497</td>
<td>1</td>
<td>13.497</td>
<td>18.407</td>
<td>.000</td>
<td>.104</td>
<td>18.407</td>
<td>.989</td>
</tr>
<tr>
<td>NFR_X3</td>
<td>13.981</td>
<td>1</td>
<td>13.981</td>
<td>19.067</td>
<td>.000</td>
<td>.107</td>
<td>19.067</td>
<td>.991</td>
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<td>AGE</td>
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<td>.679</td>
<td>.926</td>
<td>.337</td>
<td>.006</td>
<td>.926</td>
<td>.160</td>
</tr>
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<td>.733</td>
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<td></td>
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<td></td>
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<tr>
<td>Total</td>
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<td></td>
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<tr>
<td>Corrected Total</td>
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<td></td>
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</table>

\(^a\) R Squared = .214 (Adjusted R Squared = .194)

\(^b\) Computed using alpha = .05
Table 4-16:

**Race and Attraction to Non-financial Rewards**

**Tests of Between-Subjects Effects**

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
<th>Noncent. Parameter</th>
<th>Observed Power^b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>37.985^a</td>
<td>8</td>
<td>4.748</td>
<td>6.580</td>
<td>.000</td>
<td>.243</td>
<td>52.641</td>
<td>1.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>214.229</td>
<td>1</td>
<td>214.229</td>
<td>296.891</td>
<td>.000</td>
<td>.644</td>
<td>296.891</td>
<td>1.000</td>
</tr>
<tr>
<td>NFR_X1</td>
<td>12.947</td>
<td>1</td>
<td>12.947</td>
<td>17.943</td>
<td>.000</td>
<td>.099</td>
<td>17.943</td>
<td>.988</td>
</tr>
<tr>
<td>NFR_X2</td>
<td>5.121</td>
<td>1</td>
<td>5.121</td>
<td>7.097</td>
<td>.008</td>
<td>.041</td>
<td>7.097</td>
<td>.754</td>
</tr>
<tr>
<td>NFR_X3</td>
<td>13.349</td>
<td>1</td>
<td>13.349</td>
<td>18.500</td>
<td>.000</td>
<td>.101</td>
<td>18.500</td>
<td>.990</td>
</tr>
<tr>
<td>RACE</td>
<td>4.412</td>
<td>5</td>
<td>.882</td>
<td>1.223</td>
<td>.301</td>
<td>.036</td>
<td>6.114</td>
<td>.427</td>
</tr>
<tr>
<td>Error</td>
<td>118.338</td>
<td>164</td>
<td>.722</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2112.920</td>
<td>173</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>156.323</td>
<td>172</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. R Squared = .243 (Adjusted R Squared = .206)
b. Computed using alpha = .05

**4.4.4. Standardized Residuals error analysis.**

The standardized residual errors, which are residuals divided by the estimates of their standard errors, were analysed through a set of regression graphs that visually depicted the validity of the experiment (Blatma, 2006). The graphs visually assessed whether there were extremely high or low outliers in which case they would pull the regression line close to the observation, which would make it appear that there were no outliers (Blatma, 2006). The overall assessment was to determine whether bias existed for each of the groups.

Figure 4.22 represents the standardised residual errors as normally distributed. Figure 4.23 is a scatterplot and was used to visualise the data structure and conditional distribution y | x (Blatma, 2006). The scatterplot represented data that was visually randomly and evenly scattered. This indicated that the errors associated with one observation are not correlated with any other observation and that a problem with nonlinearity does not exist (UCLA, 2013).
The third Figure 4.24 represents Cook’s D which is effective in finding influential cases when a single outlier exists (Blatma, 2006). The visual representation of the data depicted that the data does not fall outside of a normal distribution or range. Therefore there were no identifiable single outliers in the data which could have indicated bias in the data.

Overall through the assessment of the standardised residuals, the data was assumed not to be biased across groups. The validity of the experiment and the method used for the experiment were therefore also supported.

![Figure 4-22: Histogram of the Standardised Residuals and Frequency of Attraction scores](image)

*Figure 4-22: Histogram of the Standardised Residuals and Frequency of Attraction scores*
Figure 4-23: Scatterplot Predicted Value for Attraction and Standardised Residuals

Figure 4-24: Cook's Distance for Attraction and Standardised Residuals
4.5. Total Rewards Questionnaire

The aim was to establish when participants were asked, they were more likely to respond favourably to any rewards offered. In which case a more differentiated approach, such as the experimental design, was used to establish which rewards were more attractive.

4.5.1. Validity and reliability.

Exploratory Factor Analysis (EFA) was used to establish whether the 20-item Total Rewards Questionnaire indicated construct validity and whether the questionnaire was, in fact, measuring employee attraction to reward elements (Pregnolato, 2010). Prior to performing EFA the suitability of the data for factor analysis was assessed using the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy, which should be ≥0.6 and the Bartlett’s test of Sphericity should be significant with \( p<0.05 \) (Pallant, 2005). The extraction method utilised was Principal Axis Factoring and the rotational method that was utilised was Oblique Direct Oblimin with Kaiser Normalisation. An oblique rotation strategy such as Direct Oblimin was used as it treats factors as being related and maintains the correlated nature of the factors with one another (Tabachnick & Fidell, 2001). Oblique rotation has been researched to result in solutions that are easier to evaluate and easier to interpret (Tabachnick & Fidell, 2001). The 5-factor scale was a multidimensional scale and therefore cross loadings were assessed.

The exclusion criteria for a multidimensional scale indicates that if the difference across factor loadings was < 0.25, then the item was considered to have cross loaded. If items did not meet this exclusion criteria, the items were removed and the Factor Analysis was repeated until there were no cross loadings across factors. Factor Analysis using EFA was used to assess whether the Total Rewards questionnaire needed to be reduced using smaller sets of factors or components.

4.5.2. Factor analysis.

The 20-items of the Total Rewards questionnaire were assessed using Exploratory Factor Analysis (EFA) using SPSS version 2.1. The KMO value was .785, and the Bartlett’s test reached statistical significance \( p<.000 \). Therefore the factor analysis was considered appropriate to conduct an EFA on the data.

The Kaiser’s criterion revealed six components with an eigenvalue exceeding 1 in which the amount of variance was explained by 59.17% that should be extracted for further investigation (Pallant, 2005). Using Catell’s (1966) scree test, it was decided to retain six
components for further investigation. The scale was assessed to be a multidimensional scale and therefore an Oblique Direct Oblimin rotation was performed. The pattern matrix was assessed for item cross loadings in which the difference between loadings on different factors would not be <.25. The pattern matrix indicated that item 10 (The extent to which you are provided with challenging targets) cross loaded on factor four and five. Therefore item 10 was excluded and the EFA was re-run as a reduced 19-tiem scale. The 19-item EFA derived scale is represented in Table 4.17.

The pattern matrix indicated that the 19-item EFA derived scale had five factors. The items in the pattern matrix were assessed and each of the factors was labelled accordingly. Factor 1 was labelled Career Advancement and only item 5 seemed less related with a low loading of .330. Factor 2 was labelled as Interpersonal/social with item 20 as seemingly less related with a loading of .383. Factor 3 was labelled as Financial. Factor 4 was labelled as Work-life Balance with items 1 and 9 unrelated with workplace pay and recognition. Factor 5 was labelled as Challenges and Contributions (Table 4.18).

4.5.3. Reliability analysis.

The 20-item scale’s reliability was assessed and the Cronbach Alpha score (.785) suggested that there was good internal consistency. However through assessing the Corrected Item-Total Correlation, two items were identified with scores <.30. Items 2 (Recognition provided to you by your employer e.g. Financial recognition such as a cash, paid travel) and 10 (The extent to which you are provided with challenging targets) indicated $r$ scores <.03. With the reduction of the two items to an 18-item scale, the Cronbach Alpha score decreased but still indicated that there was good internal consistency ($\alpha=.776$). The Corrected Item-Total Correlation indicated that the 18 item-scale was considered reliable ($.354<r<.578$).
**Table 4-17:**

*Final Pattern Matrix for Factor Analysis for Total Rewards Questionnaire*

<table>
<thead>
<tr>
<th>Pattern Matrixa</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>3. The opportunities offered to you by your company for learning and career development outside of your current job e.g. sabbaticals, coaching, mentoring, leadership training</td>
<td>.704</td>
</tr>
<tr>
<td>4. The opportunities offered to you by your company for career advancement e.g. job advancement/promotions, internships, and apprenticeships with experts, internal job posting</td>
<td>.511</td>
</tr>
<tr>
<td>11. The opportunities offered to you by your company for training within your current job e.g. skills training</td>
<td>.474</td>
</tr>
<tr>
<td>5. The quality of performance feedback and performance discussions you have had with your supervisor</td>
<td>.330</td>
</tr>
<tr>
<td>15. The degree to which your employer encourages and organises team building or other social networking activities amongst employees</td>
<td>.743</td>
</tr>
<tr>
<td>14. Having social friendships at work</td>
<td>.531</td>
</tr>
<tr>
<td>16. Your employer’s provision of employee health and wellness programmes e.g. Employee Assistance Programmes, counselling services, fitness centres</td>
<td>.416</td>
</tr>
<tr>
<td>20. The provision of recognition via non-financial means e.g. certificates of recognition</td>
<td>.383</td>
</tr>
<tr>
<td>18. Your employer’s provision of medical aid, retirement and pension benefits</td>
<td>.776</td>
</tr>
<tr>
<td>17. The provision of a competitive pay package (i.e. basic salary plus benefits, allowances or variable pay)</td>
<td>.641</td>
</tr>
<tr>
<td>19. Your employer’s provision of incentive bonuses/variable pay</td>
<td>.637</td>
</tr>
<tr>
<td>13. Your employer’s provision of work/life programmes such as flexible working arrangements, flexible hours</td>
<td>-.733</td>
</tr>
<tr>
<td>12. The extent to which your employer supports a balanced lifestyle (between your work and personal life)</td>
<td>-.619</td>
</tr>
<tr>
<td>9. Having a manageable workload and reasonable work pace</td>
<td>-.337</td>
</tr>
<tr>
<td>1. Recognition provided to you by your employer e.g. Financial recognition such as a cash, paid travel</td>
<td>-.336</td>
</tr>
<tr>
<td>7. The level of challenge and interest you derive from your job</td>
<td>.927</td>
</tr>
<tr>
<td>8. The extent to which you are provided with challenging targets</td>
<td>.591</td>
</tr>
<tr>
<td>6. The extent to which you believe your contribution and work is valued</td>
<td>.422</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Axis Factoring.
Rotation Method: Oblimin with Kaiser Normalization.a

a. Rotation converged in 9 iterations.
**4.5.4. Descriptive statistics for Total Rewards Questionnaire.**

Descriptive statistics were used to assess the Total Rewards Questionnaire and can be seen in Appendix F which represents the mean scores for each item on the new PCA derived 18-item questionnaire. Table 4.18 represents the descriptive statistics for each of the five factors.

The results indicated that the mean scores for the questionnaire yielded similar and relatively high mean scores for the total rewards items. The scores reflected a generally consistent negatively skewed distribution and high mean scores which varied from $M=3.29$ to $M=4.50$. Therefore the results indicated that there was a high level of attraction to total rewards for the sample group, which corroborates Pregnolato’s (2010) research and supported the findings for the Attraction survey. The results also indicated that if participants were given the option for rewards, they would be more likely to respond favourably irrespective of the type of reward offered and therefore that attraction to specific rewards cannot be easily differentiated. The results supported the use of an experimental design to more accurately assess the differentiated attraction scores for different reward levels, and also supported the findings in the Job Attraction survey.
Table 4-18:

*Descriptive Statistics for Five Factor Total Rewards Questionnaire*

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Std. Error</th>
<th>Statistic</th>
<th>Std. Error</th>
<th>Statistic</th>
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<td></td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Statistic</td>
<td>Std. Error</td>
<td>Statistic</td>
<td>Std. Error</td>
<td>Statistic</td>
<td>Std. Error</td>
</tr>
<tr>
<td>Career Advancement</td>
<td>337</td>
<td>1.75</td>
<td>5.00</td>
<td>4.2381</td>
<td>.49725</td>
<td>-.703</td>
<td>.133</td>
<td>2.147</td>
<td>.265</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interpersonal/social</td>
<td>337</td>
<td>1.25</td>
<td>5.00</td>
<td>3.909</td>
<td>.73847</td>
<td>-.334</td>
<td>.133</td>
<td>-1.90</td>
<td>.265</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>337</td>
<td>2.67</td>
<td>5.00</td>
<td>4.3576</td>
<td>.54143</td>
<td>-.525</td>
<td>.133</td>
<td>-0.97</td>
<td>.265</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-life Balance</td>
<td>337</td>
<td>2.00</td>
<td>5.00</td>
<td>4.2399</td>
<td>.51998</td>
<td>-.864</td>
<td>.133</td>
<td>1.323</td>
<td>.265</td>
<td></td>
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</tr>
<tr>
<td>Challenge and</td>
<td>337</td>
<td>1.50</td>
<td>5.00</td>
<td>4.3991</td>
<td>.47425</td>
<td>-.763</td>
<td>.133</td>
<td>2.907</td>
<td>.265</td>
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<tr>
<td>Contributions</td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Valid N (listwise)</td>
<td>337</td>
<td></td>
<td></td>
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CHAPTER 5

DISCUSSION

5.1. Introduction
Increased globalisation and the progressive scarcity of talented employees have been some of the influencers that have driven the competitive markets for qualified and talented employees. Globally companies have been challenged with an increasing need for talent management practices and changes to strategic imperatives to effectively attract and retain talented employees (Hagel, 2012). The acquisition of top talent is recognised to increase organisational competitive advantage in the market, due to the impact that knowledge workers have on overall organisational success, performance and the bottom line (Cascio, 2006). Scarce human resources and human capital are recognised as talent, skills, knowledge, and abilities of an employee which add value to an organisation and increase performance (Guthridge, Komm, & Lawson, 2008). The competitive advantage gained from successfully attracting and retaining top talent reduces the associated direct and indirect economic costs that are vital contributors to a company’s success.

The associated direct economic costs of losing and replacing valued employees is estimated to cost more than 100% and up to 2.5 times the annual salary paid for the job position (Hagen Porter, 2011). While the associated indirect costs increase overall losses each time an employee that adds disproportionate value to the organisation is lost.

Human capital or intellectual capital has become the leveraging point for increasing competitive advantage, and therefore the increased need for effective talent management has become a strategically significant decision taken by companies (Srinivason, 2011)

5.2. Talent Attraction
Employee attraction to a company through setting successful and effective job attractors has been recognised as a vital component in gaining competitive advantage, with a reliance on a progressively smaller talent pool. If attraction of talented employees is recognised as a future change in strategic imperatives for many organisations globally, then the focus predominantly rests on which attractors and which combinations of attractors are most effective. Employee attraction is recognised as the simultaneous amalgamation of the ideal factors that are attractive to individual employees (Amundson, 2007). Organisations therefore need to focus
on who their targeted employee pool is in order to correctly identify which attractors are most effective in procuring these employees. Employees have divergent and varied desires for what a job can offer, and therefore there is no one-size-fits-all approach to designing a suitable package that appeals to all employees (Amundson, 2007).

Total rewards are a holistic approach to rewards which encompass both financial and non-financial rewards. Total rewards are most effective when the correct application and combination of rewards are offered, that are both suitable and applicable to the targeted employee group. Total rewards were explored with a specific focus on non-financial reward elements as the predominant attracting factors.

The present study identified non-financial rewards as the most influential to employee motivation, performance (Whitaker, 2010) and even organisational culture and employee self-esteem and competence (Chiang & Birtch, 2011), rather than the traditional focus on financial rewards. Non-financial rewards are progressively becoming more attractive to employees due to the changes in the way work is performed, the types of employees entering the workplace, and increased globalisation and cultural influences. The present study selected the most prominent non-financial rewards identified by Pregnolato (2010) to be further explored. The non-financial factors selected were: Work-life Balance, Learning and Career Advancement.

5.3. Research Question, Hypothesis and Design
The current study aimed at assessing whether the type, level and presence of non-financial rewards (work-life balance, learning, and career advancement) had an effect on the perceived attractiveness of a job. The research hypothesis that was derived from the research question was the following:

\[ H_1: \text{Non-financial rewards (Work-life Balance, Learning, and Career Advancement) have a significant effect on perceived job attractiveness.} \]

The research question was investigated using a $2^3$ Full-factorial Experimental Design with a sample size of 171 participants. The Full-factorial design was needed to capture the more complex reality of attraction elements by estimating the effects of multiple interacting causes of the non-financial rewards and their relative levels. Fictitious job advertisements were created which contained combinations of non-financial rewards which were developed through an effect coding matrix with the presence and non-presence of the rewards. The job
advertisements were accompanied by two questionnaires: an Attraction questionnaire, and the Total Rewards Questionnaire. The results were analysed by a Paired Samples T-test, Principal Components Analysis for the Attraction questionnaire and Factorial or 3-way ANOVA, while an Exploratory Factor Analysis was utilised for the Total Rewards questionnaire using IBM SPSS 21 (IBM, 2012).

5.4. Attraction Questionnaire Results

5.4.1. Interaction Effects
The Attraction questionnaire was analysed using Factorial ANOVA to test the statistical differences between the means of the non-financial rewards. The interaction effects were first assessed to see whether there were statistically significant findings between Work-life Balance, Learning, and Career Advancement. The interaction effects yielded no statistically significant interactions for any of the combinations of Work-life Balance, Learning or Career Advancement. The lack of interaction effects for the non-financial rewards indicated that when the different non-financial rewards are present and are combined in a job description, they are no more effective in increasing attraction to a job than alternative combinations. These results indicate that there is no support for a specific combination of non-financial rewards that is effective in determining job attraction.

These results are in contrary to literature conducted by Bryant and Allen (2013) which indicated that employees are attracted to the most appropriate and meaningful combination of rewards. The results were unexpected as literature indicated support for a correctly designed total rewards package (Rumpel & Medcof, 2006). An explanation could be that the types of rewards and combinations being offered may not be the most appropriate or meaningful for the sample group. Another research finding noted that total reward packages of rewards usually encompass a combination of non-financial rewards that are supplementary to the financial rewards offered (O'Neal, 1998). Perhaps the combinations of each of the non-financial rewards are not sufficient on their own to elicit significant differences in attraction.

5.4.2. Main Effects
The main effects were analysed to assess whether each of the non-financial rewards when present or not present, indicated significant results for job attraction. The results for the main effects were found to be highly supportive of previous literature for each of the rewards. Work-life balance, Learning, and Career Advancement all indicated statistically significant
results which means that when present in a job advertisement, they are more attractive to an employee that when not present.

5.4.2.1. Work-life Balance

Work-life Balance (WLB) was indicated to have significant main effects. A study conducted by Chimote and Srivastava (2013) found that employees perceive WLB to influence satisfaction, autonomy, job security, stress reduction and improved health. The inclusion of WLB as a reward is recognised to be attractive to employees across different cultures, countries and societies (Chandra, 2012). The current study assessed participants across different demographic groups and countries, and therefore is supportive of Chandra’s (2012) research. The implication being that WLB would be expected to indicate employee attraction. Flexible scheduling and teleworking, which were both level indicators for WLB, were found by Bourhis and Mekkaoui (2010) to have high scores of attractiveness to employees. The result for WLB corroborates numerous alternative studies that found that WLB is a significant attractor. The results therefore confirmed what we expected to occur and also confirmed previous research results.

5.4.2.2. Career Advancement

Career Advancement (CA) was indicated to have significant main effects for employee attraction. CA was expected to indicate the largest significance levels due to previous research conducted by Pregolato (2010) in which CA was ranked as more attractive than Work-life Balance and Learning. The manipulation check also indicated that CA was more attractive to employees than WLB and L. Research conducted by Kaye and Joran-Evans (2002) found that exciting work, work challenges, career growth and opportunities are rated as some of the most influential reasons that employees are retained by companies. Armstrong and Murlis (2004) indicated that top talented employees require challenging, interesting and meaningful positions to optimise their skills. Organisational changes to more flatter structures and less defined career paths have influenced the importance that employees place on CA (Wolf, 2010). Therefore the significant main effect for CA corroborated our expectations and previous literature.

5.4.2.3. Learning

Learning (L) also indicated significant main effects for employee attraction. L has been researched to be important to employees due to the perception that companies are investing in their employees. Prewitt (1999) found that when over half a million employees were
surveyed across 300 companies, the most important reward was the opportunity to learn. The changing nature of work, as indicated in CA, to include flatter structures and restricted vertical promotions has led employees to place more value on training and development (Armstrong & Murlis, 2004). L has also been indicated to be linked closely with CA. Watkins and Golembiewski (1995) found that L can be applied at any job level or position and is attractive to employees because of the direct or indirect effect it has on a projected career path. Ng (2004) also found that employees valued learning as it was an indicator that the organisation values their skills, talents and inputs. Therefore the results of Learning being attractive to employees were expected and the results corroborate with previous research.

5.4.3. Practical Significance
The power statistics were also assessed and this yielded high practical significance for both Work-life Balance and Career Advancement. The implication for these results is that they are highly applicable and generalizable results to the target population of employees. Therefore the high practical significance and statistically significant main effects for Work-life balance and Career Advancement indicated useful results for the purposes of employee attraction beyond the scope of the present study. This means that including WLB and CA as job rewards will yield more attraction from prospective employees. It is therefore highly applicable to other employees outside the confines of the current study’s sample group.

While Learning indicated a statistically significant main effect, the results yielded low practical significance with low power statistics. The low practical significance indicated that the inclusion of Learning in a job advertisement beyond the scope of the present study is less generalizable and applicable to the target population of employees.

5.5.1. Demographic Results.

5.5.1.1. Race and Age
The present study indicated that for Age and Race there were no statistically significant results and therefore that Age and Race do not have an effect on the employee attraction. The results were surprising for Age. Previous research conducted by Thompson and Gregory (2011) found that newer generations valued non-financial rewards more significantly than financial rewards. Another study conducted by Harvard Business Essentials (2002) found that older generations similarly valued non-financial rewards to newer generations. The expectation was that age would be significant as literature supported younger generations to be more attracted to non-financial rewards than older generations. However, when the sample
group was further assessed the results seemed more probable. The participants were predominantly 35 years of age which may be the reason that age did not have a significant effect on employee attraction, as they were not predominantly from the newer generations of Millenials. However race was expected not to have significant results as there was little in the way of research to support it and the sample group was also predominantly white, which may have be an underlying reason for the lack of significance.

5.5.1.2. Gender

Gender was assessed and statistically significant results were found. The results further indicated that there are differences between males and females perceived attractiveness to a job. The results indicated that females are more attracted to the presence of non-financial rewards than males. Females are also more attracted to a job when all non-financial rewards, Work-life Balance, Learning and Career Advancement are present in a job offering. These results were expected due to the participants being predominantly female. Research conducted by Bourhis and Mekkaoui (2010) found that women are more attracted to non-financial rewards than males. Given the large population of working women in the labour market, as well as the fast growing number of both dual-career families and single-parent families, the need for balancing work-family responsibilities has become a growing challenge for many employees (Bourhis & Mekkaoui, 2010). Therefore the results for gender were expected and corroborated with the research.

5.6. Total Rewards Questionnaire Results

The Total Rewards questionnaire was primarily used as a supportive tool for the Attraction questionnaire. The supportive function of the questionnaire was to assess whether overall the participants were attracted to total rewards irrespective of the rewards being offered. The questionnaire was assessed using Exploratory Factor Analysis and descriptive statistics. The results indicated generally consistent high mean scores and therefore that the participants in the present study were similarly attracted to total rewards. These findings corroborated with research conducted by Pregnolato (2010) on Total Rewards as well as research that indicated that employees are attracted to total rewards, and more so when they are appropriate and meaningful to employees (Amundson, 2007). Overall the questionnaire was a useful tool to for supporting the use of the experimental design to fully establish which rewards were more attractive.
5.7. Summary of Findings

The research hypothesis was statistically analysed and the results have indicated support for the hypothesis: that Non-financial rewards (Work-life Balance, Learning, and Career Advancement) have a significant effect on perceived job attractiveness.

The results for this section are not entirely unexpected due to the characteristics of the participants. The research participants were predominantly from South Africa, white, female non-management employees who work in Human Resources and are aged 35 years. Therefore along with literature support for the main effects and interaction effects for each non-financial reward, gender was also expected to indicate a difference in attraction to employees for non-financial rewards.

5.8. Limitations and Recommendations for Future Research

The limitations for the current study were assessed and future recommendations are offered to improve on the limitations identified. Suggestions for future research are also included in order to expand upon the current study.

5.8.1. Sample and target population.

The sample group was obtained through non-probability convenience sampling. The first limitation of using non-probability convenience sampling was that the sample group may not have been adequately representative of the entire population, specifically concerning organisational sectors and industries. While the sample was derived from various industries, the limitation of convenience sampling is that the quantity of participants from all sectors or industries was not controlled for. Therefore the quantity of participants per industry could not be compared due to the sample size differences and representativeness of the population. Replicating the findings of this research across qualitatively different departments, job levels, or organisations from the target population could be conducted in future. However the purpose of this study was not to compare the relative industries’ perceived attractiveness and rather to assess employees across various industries. The recommendation would be to include a more stringent and specific sampling method for the purpose of assessing industry specific job attraction.

The second limitation is the use of non-probability sampling methods with random assignment to the experimental conditions. It cannot be claimed that the sample was representative of the target population due to the type of randomisation method used. The
participants were unknown and could not be randomly selected and so random assignment to the experimental conditions was used. In future research, the possibility of using random selection should be explored as an alternative and preferred randomisation method to random assignment.

5.8.2. Sample size.
The sample size was predetermined by the $2^3$ Full-factorial Experimental Design which necessitated that a minimum sample required per condition was 20 participants. Due to the number of experimental conditions, the minimum sample size required was 160. The use of non-probability convenience sampling to acquire the required number of participants became problematic and challenging to attain in a reasonable time frame. The sample of employees presented problems with the completion of the required number of surveys. While the minimum required sample size was reached, the time frame was extended on several occasions to accommodate the difficulties in attaining the participant’s responses to the survey. Future recommendations could be to contract with specific companies in order to attain the required sample size more easily.

5.8.3. Research design and job advertisements.
Due to the $2^3$ Full-factorial Experimental Design and more specifically the field experiment, it was indicated to have medium to high levels of external validity which was due to the convenience sampling as mentioned above. The limitation is that the study’s generalizability was reduced. The Hawthorne Effect was recognised as a potential problem due to the pre-designed job advertisements offered to employees in the survey. A recommendation for future research would be to find alternative ways in which to design job advertisements or to make the job advertisements more realistic to the participants. A possible alternative method that was first considered was to use Vignette Experiments which could be used in future research.

5.8.4. Combining Non-financial and Financial job attraction research.
The current study identified the attraction of non-financial rewards as part of the total rewards package. Future research could incorporate both the financial and non-financial rewards in a repeated experiment. If the current study were repeated for financial rewards, the results from both the financial and non-financial rewards could be combined to assess the most attractive combination of rewards. This could yield potentially significant and influential information for organisations and companies that are trying to gain a competitive advantage.
5.8.5. Employer branding.
Employer branding was briefly mentioned in Chapter 1 as an additional strategy utilised by companies to manage their talent, through managing awareness and perceptions of employees or potential employees to a particular organisation (Mandhanya & Shah, 2010). Employer branding strategies have become strategically significant to organisations in order to attract and retain talented employees by drawing interest and creating desire to apply to an organisation (Mandhanya & Shah, 2010). Therefore while employer branding fell outside of the scope of the current study, future research could explore the influence that employer branding has on employees’ perceived attractiveness to a job.

5.9. Theoretical Contribution

5.9.1. Experimental design
The current study offers a unique theoretical contribution in terms of the $2^3$ Full-factorial Experimental Design which was used to determine which non-financial rewards are perceived to be the most attractive. The theoretical usefulness of using an experimental approach is that the job advertisements that were used to elicit the attraction responses could be manipulated and pre-designed. Therefore through using manipulated and pre-designed job advertisements, the specific non-financial reward levels and combinations of each non-financial reward could be predetermined. The method precipitated a Factorial ANOVA to be utilised to analyse the results. Therefore the main effects and the interaction effects of each of the rewards could be assessed. The method allowed greater insight into the employees’ perceived attraction for the type, level and presence of the non-financial rewards. Therefore this method contributes to additional research using a $2^3$ Full-factorial Experimental Design in the social sciences and more specifically in Industrial/Organisational Psychology.

5.9.2. Non-financial rewards and attraction
Theoretically, the current study also contributes to literature on non-financial rewards and the significant role that it plays in employee attraction. Previous research has identified that Work-life Balance, Learning, and Career Advancement have all independently been indicated as influential rewards for employees for both attraction and retention purposes. While Pregnolato (2010) identified the most attractive financial and non-financial total rewards for retention purposes, the current study was able to offer more focussed insight on employee attraction. Therefore the knowledge about non-financial rewards contributes a wealth of
supportive knowledge about the significance of non-financial rewards on employee attraction.

5.9.3. Age and gender on attraction
The results support previous literature on the importance that non-financial rewards have with females. Surprisingly age did not have an effect on non-financial reward attractiveness. Previous literature suggested that different generations have different needs and are attracted to divergent rewards. The usefulness of the current study is that it offers opposing knowledge on the effect that age has on perceived job attraction. The results also offer more insight into gender differences to attraction in South Africa, and provide theoretical support for female job attraction literature.

5.10. Practical Contribution

5.10.1. Talent management and total rewards
The practical contributions that the current study makes are specifically aimed towards information that could benefit organisational talent management practices. The need for more effective total reward packages is due to changing perceptions and demands for top talented employees who aid in enhancing organisational competitive advantage. Therefore the current study provides companies with insight into the effect that including non-financial rewards as part of a job offering, may have in attracting knowledge workers.

Organisations in various industries can benefit from the results of the current study. The results indicate to companies that employees value non-financial rewards. Work-life Balance, Learning and Career Advancement were found not only to be indicative of increased attraction to a job, but the exclusion of non-financial rewards also decreased the level of attraction. Therefore companies may lose out on talented employees if non-financial rewards are not included as part of a job offering. The results from this current study also offer insight into which level and type of non-financial rewards were most successful in attracting employees.

5.10.2. Women in the workplace
In South Africa, the increase in women in the workplace and the demand for more women in the workplace is increased through recognition and inclusion as a designated employment group. Therefore companies are becoming increasingly more aware of the need to attract women in the workplace. Therefore, if an organisation wants to increase female attraction to
a job, non-financial rewards should be taken into consideration as significant influencers on female job attraction.

5.11. Conclusion

The aim of the current study was to establish whether the type, level, presence or combination of non-financial rewards (Work-life Balance, Learning, and Career Advancement) had an effect on employees’ perceived job attractiveness. The employees that were assessed were from various industries, different job levels and were predominantly white South African females. The current study expanded on previous research conducted by Pregnolato (2010) on employee retention by shifting the focus from employee retention to employee attraction to a job.

The current study found that each of the non-financial rewards, when presented as a reward for a job offering, were individually attractive to employees. While there were no interactions found between the non-financial rewards, the main effects were significant. The main effects strongly supported the research question and therefore the null hypothesis was rejected: Non-financial rewards (Work-life Balance, Learning, and Career Advancement) do not have a significant effect on perceived job attractiveness. The implication for organisations is that if non-financial rewards are offered as part of a job package, employees will be more likely to be attracted to the job than if non-financial rewards were not offered.

Women were found to have much higher levels of attraction to non-financial rewards than males. Therefore the results indicated that if an organisation designed their total rewards with a strong emphasis on non-financial rewards, women would be more likely to be attracted to the job offering. These results are specifically relevant in the current market as more women are entering the job market and dual-career families have increased. More so, in South Africa, women are recognised as a designated employment group which means that preference is given to women for a job offer. Therefore South African companies can leverage their total rewards in order to attract the top talented female employees, which both satisfies the requirements of the Employment Equity Act and the need for talented employees in the workplace (EEA) 55 of 1998.

The benefits of non-financial rewards have been identified to increase motivation and satisfaction, foster a positive culture and encourage commitment and loyalty to an organisation. The changing nature of the workforce and the changing nature of the world of work require that companies adjust the rewards offered to employees and adjust their talent
management practices. Cultural, economic, technological and workforce changes have elicited a stronger requirement from employees for non-financial rewards. While retention strategies enable companies to retain their top talent, the war for talent necessitates better and more effective attraction strategies for companies to gain and retain top talent and so to enhance their competitive advantage. Therefore in order to leverage organisational employee performance, more attention should be paid to non-financial rewards as a motivating tool for performance.

In the current talent crunch felt across the world, it has become vital that organisations and managers reconsider their staffing solutions to include more effective and successful strategic imperatives. Non-financial rewards, specifically Work-life balance, Learning, and Career Advancement should be taken into consideration as significant contributors to employee attraction, and be taken seriously as an effective talent management tools vital to the future success and performance of a company.

References


Appendix

Appendix A: Total Rewards Questionnaire

Total Rewards Questionnaire

Kindly complete all the questions below by checking one response per item: The following response scale should be used for all items.

1. Not at all important  
2. Not Important  
3. Uncertain  
4. Important  
5. Very Important

How important do you consider the factors to be when deciding on a job position?

1. Recognition provided to you by your employer e.g. Financial recognition such as a cash, paid travel

2. The extent to which your employer respects differences in race, gender and age

3. The opportunities offered to you by your company for learning and career development outside of your current job e.g. sabbaticals, coaching, mentoring, leadership training

4. The opportunities offered to you by your company for career advancement e.g. job advancement/promotions, internships, and apprenticeships with experts, internal job posting

5. The quality of performance feedback and performance discussions you have had with your supervisor

6. The extent to which you believe your contribution and work is valued

7. The level of challenge and interest you derive from your job

8. The extent to which you are provided with challenging targets

9. Having a manageable workload and reasonable work pace

10. Having supportive and like-minded colleagues

11. The opportunities offered to you by your company for training within your current job e.g. skills training
12. The extent to which your employer supports a balanced lifestyle (between your work and personal life)

13. Your employer’s provision of work/life programmes such as flexible working arrangements, flexible hours

14. Having social friendships at work

15. The degree to which your employer encourages and organises team building or other social networking activities amongst employees

16. Your employer’s provision of employee health and wellness programmes e.g. Employee Assistance Programmes, counselling services, fitness centres

17. The provision of a competitive pay package (i.e. basic salary plus benefits, allowances or variable pay)

18. Your employer’s provision of medical aid, retirement and pension benefits

19. Your employer’s provision of incentive bonuses/variable pay

20. The provision of recognition via non-financial means e.g. certificates of recognition
Appendix B: Job advertisements Example with Work-life Balance, Learning, and Career Advancement present

JOB OPPORTUNITY

Co XYZ requires the services of an energetic and innovative individual to join our winning team.

In return for your services we offer a competitive salary, as well as:
- Flexible work arrangements that support work-life balance
- Substantial learning/development opportunities both inside and outside the organisation
- Fast tracked career progression to senior management and executive levels

Having successfully completed a tertiary qualification and a proven track record, would be beneficial.

Interested candidates should send their CV and a cover letter motivating why they would be the ideal candidate for this job opportunity. Furthermore, provide the names of three referees and their contact details. The closing date for applications is 31 August 2012. For further enquiries please contact Anton Schlechter at 021 650 2450.

If you are a passionate, results-driven person we want to hear from you!
We are inviting you to participate in an Industrial/Organisational Psychology (IOP) research project conducted by the Organisational Psychology Section of the School of Management Studies at UCT. This Masters level research project is being supervised by Prof Anton Schlechter. The focus of this study is to determine how financial/non-financial reward elements potentially affect the perceived attractiveness of job offerings.

If you agree to participate in the study you will be provided with a job advertisement to consider. You will then be asked to complete a short questionnaire consisting of five (5) questions that will ask you to rate the attractiveness of the job, as it has been advertised. This will be followed by a second questionnaire consisting of 20 short statements. The entire survey should take approximately 10 minutes to complete.

Your participation in this research is voluntary and you can choose to withdraw from the research at any time. You are not required to disclose your name anywhere on the questionnaire and all responses will be confidential and used for the purposes of this research only. We have received clearance to administer the survey from the Ethics Committee of UCT’s Faculty of Commerce.

We would appreciate your response by _______________ 2013. If you are interested in a summarised copy of the research findings, please supply an email address in the optional field at the end of the questionnaire.

Thank you in advance for your participation and cooperation.
Appendix D: Qualtrics Survey Cover Letter

STAND A CHANCE TO WIN A R500 WOOLWORTHS GIFT VOUCHER BY COMPLETING THIS SURVEY!

We are inviting you to participate in an Industrial/Organisational Psychology (IOP) research project conducted by the Organisational Psychology Section of the School of Management Studies at UCT. This Masters level research project is being supervised by Prof Anton Schlechter. The focus of this study is to determine how financial and non-financial reward elements potentially affect the perceived attractiveness of job offerings.

If you agree to participate in the study you will be provided with a job advertisement to consider. You will then be asked to complete a short questionnaire consisting of five (5) questions that will ask you to rate the attractiveness of the job, as it has been advertised. This will be followed by a second questionnaire consisting of 20 short statements. The entire survey should take approximately 10 minutes to complete.

Your participation in this research is voluntary and you can choose to withdraw from the research at any time. You are not required to disclose your name anywhere on the questionnaire and all responses will be confidential and used for the purposes of this research only. We have received clearance to administer the survey from the Ethics Committee of UCT’s Faculty of Commerce.

We would appreciate your response by Friday 25 October 2013. If you are interested in a summarised copy of the research findings, please supply an email address in the optional field at the end of the questionnaire.

If you have any queries or would like to contact either one of the researchers, please email:

Anton Schlechter - anton.schlechter@uct.ac.za
or
Angel Hung - angel.hung.31@gmail.com
or
Nicola Thompson - thmnic016@myuct.ac.za

Thank you in advance for your participation and cooperation.
Appendix E: Qualtrics Online Survey with Attraction Scale Response to a Job Advertisement

**UNIVERSITY OF CAPE TOWN**  
**FACULTY OF COMMERCE**  
*Igniting Knowledge and Opportunity*

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**ATTRACTIVENESS OF THE POSITION ADVERTISED ABOVE**

*Please carefully consider the advertisement provided above and rate the degree to which you agree or disagree with each statement below.*

<table>
<thead>
<tr>
<th>1. For me, this would be a good job</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. I would not be interested in this job except as a last resort.</td>
<td></td>
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<td>3. This job is attractive to me for employment.</td>
<td></td>
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<td>4. I am interested in learning more about this job.</td>
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<tr>
<td>5. This job is very appealing to me.</td>
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110
Appendix F: Descriptive Statistics for PCA Reduced 18-item Total Rewards Questionnaire

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<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
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</thead>
<tbody>
<tr>
<td>1. Recognition provided to you by your employer e.g. Financial recognition such as a cash, paid travel</td>
<td>175</td>
<td>2</td>
<td>5</td>
<td>4.03</td>
<td>.850</td>
<td>-1.030</td>
<td>.863</td>
</tr>
<tr>
<td>3. The opportunities offered to you by your company for learning and career development outside of your current job e.g. sabbaticals, coaching, mentoring, leadership training</td>
<td>176</td>
<td>2</td>
<td>5</td>
<td>4.26</td>
<td>.754</td>
<td>-1.109</td>
<td>1.546</td>
</tr>
<tr>
<td>4. The opportunities offered to you by your company for career advancement e.g. job advancement/promotions, internships, and apprenticeships with experts, internal job posting</td>
<td>176</td>
<td>2</td>
<td>5</td>
<td>4.38</td>
<td>.657</td>
<td>-1.202</td>
<td>2.712</td>
</tr>
<tr>
<td>5. The quality of performance feedback and performance discussions you have had with your supervisor</td>
<td>176</td>
<td>2</td>
<td>5</td>
<td>4.25</td>
<td>.637</td>
<td>-.671</td>
<td>1.284</td>
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</tr>
<tr>
<td>6. The extent to which you believe your contribution and work is valued</td>
<td>176</td>
<td>3</td>
<td>5</td>
<td>4.54</td>
<td>.544</td>
<td>-.591</td>
<td>.183</td>
</tr>
<tr>
<td>7. The level of challenge and interest you derive from your job</td>
<td>176</td>
<td>3</td>
<td>5</td>
<td>4.52</td>
<td>.534</td>
<td>-.410</td>
<td>.183</td>
</tr>
<tr>
<td>8. The extent to which you are provided with challenging targets</td>
<td>175</td>
<td>2</td>
<td>5</td>
<td>4.15</td>
<td>.638</td>
<td>-.547</td>
<td>.184</td>
</tr>
<tr>
<td>9. Having a manageable workload and reasonable work pace</td>
<td>176</td>
<td>2</td>
<td>5</td>
<td>4.18</td>
<td>.754</td>
<td>-1.032</td>
<td>.183</td>
</tr>
<tr>
<td>11. The opportunities offered to you by your company for training within your current job e.g. skills training</td>
<td>176</td>
<td>2</td>
<td>5</td>
<td>4.18</td>
<td>.683</td>
<td>-.891</td>
<td>.183</td>
</tr>
<tr>
<td>12. The extent to which your employer supports a balanced lifestyle (between your work and personal life)</td>
<td>176</td>
<td>2</td>
<td>5</td>
<td>4.42</td>
<td>.680</td>
<td>-1.308</td>
<td>.183</td>
</tr>
<tr>
<td>13. Your employer's provision of work/life programmes such as flexible working arrangements, flexible hours</td>
<td>175</td>
<td>1</td>
<td>5</td>
<td>4.25</td>
<td>.827</td>
<td>-1.240</td>
<td>.184</td>
</tr>
<tr>
<td>14. Having social friendships at work</td>
<td>175</td>
<td>1</td>
<td>5</td>
<td>3.41</td>
<td>1.083</td>
<td>-.344</td>
<td>.184</td>
</tr>
<tr>
<td>Question</td>
<td>N</td>
<td>Valid N (listwise)</td>
<td>Mean</td>
<td>Std. Dev</td>
<td>T</td>
<td>P</td>
<td>Partial Eta Squared</td>
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<tr>
<td>15. The degree to which your employer encourages and organises team building or other social networking activities amongst employees</td>
<td>175</td>
<td>169</td>
<td>3.33</td>
<td>1.014</td>
<td>-0.403</td>
<td>.184</td>
<td>-0.924</td>
</tr>
<tr>
<td>16. Your employer’s provision of employee health and wellness programmes e.g. Employee Assistance Programmes, counselling services, fitness centres</td>
<td>176</td>
<td>169</td>
<td>3.52</td>
<td>1.085</td>
<td>-0.426</td>
<td>.183</td>
<td>-0.729</td>
</tr>
<tr>
<td>17. The provision of a competitive pay package (i.e. basic salary plus benefits, allowances or variable pay)</td>
<td>174</td>
<td>169</td>
<td>4.50</td>
<td>.535</td>
<td>-0.344</td>
<td>.184</td>
<td>-1.161</td>
</tr>
<tr>
<td>18. Your employer’s provision of medical aid, retirement and pension benefits</td>
<td>176</td>
<td>169</td>
<td>4.28</td>
<td>.769</td>
<td>-1.593</td>
<td>.183</td>
<td>4.123</td>
</tr>
<tr>
<td>20. The provision of recognition via non-financial means e.g. certificates of recognition</td>
<td>176</td>
<td>169</td>
<td>3.29</td>
<td>1.070</td>
<td>-0.318</td>
<td>.183</td>
<td>-0.888</td>
</tr>
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</table>