



**AN EXPLORATION INTO HOW COVID-19 SHAPED
ORGANISATIONAL REWARD SYSTEMS ACROSS INTERNATIONAL
CONTEXTS: A MULTIPLE CASE STUDY**

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A research project submitted to the University of Cape Town in partial fulfilment of the requirements for the degree of Master of Organisational Psychology

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Acknowledgements

I would like to thank my parents, Clifford and Nokuzola Klaas, for their continuous support throughout my studies.

To my supervisor, Professor Mark Bussin, I will be forever grateful that I was provided with the opportunity to work alongside you. Thank you for supporting me to the end of this project, it has been a long and difficult journey but we have made it to the end. It has been a great privilege to learn from you.

Abstract

The coronavirus (COVID-19) was declared as a pandemic in March 2020. To restrict the movement of the general population in order to reduce the transmission of COVID-19 a lockdown was implemented in more than 90 countries across the world. The lockdown was unpredictable and disrupted everyday life, leading to social and economic disruption. Socially, the lockdown has caused an increase in mental health disorders. Economically, it was predicted that the global economy would decrease and approximately 60 million individuals or more will end up living in extreme poverty. This is due to the abrupt change in normal business operations as organisations were forced to operate remotely. Therefore, to preserve their sustainability, organisations had to make important business-changing decisions such as layoffs, retrenchments, reducing employee and executive compensation, and possibly a revaluation of their reward systems. Using, the WorldatWork total rewards model as the theoretical framework, the objective of this qualitative research was to explore how COVID-19 shaped reward systems across organisations in different countries.

An exploratory qualitative research design guided by the interpretivist paradigm was applied to this research study. Data was collected from a purposively selected sample of 12 participants through semi-structured one-on-one interviews. Using the Atlas.ti data analysis program, the key findings indicate that there were changes to each component of organisational reward systems:

- (1) **Remuneration:** The COVID-19 pandemic shaped both fixed pay and variable pay. How the pandemic shaped fixed pay was wave dependent, based on the type of industry and the job level. Due to employees working from anywhere, organisations may have also paid based on the cost of living index that the employee was living in. As a result of the pandemic, variable pay was not provided to employees because it became difficult to measure performance. However, one organisation found variable pay important for organisational savings and one organisation implemented a COVID allowance. In short, organisations implemented salary freezes, salary cuts, cancelled bonuses and cancelled merit increases.
- (2) **Well-being:** As a result of the COVID-19 pandemic, there was an increased focus on wellbeing programs. Therefore, existing health insurance programs were expanded to promote employee wellbeing and there was an increased use of experiential rewards such as Employee Assistance Programs, wellness programs, flexible work arrangements, provision of training and safety clothing.

- (3) **Benefits:** The COVID-19 shaped benefits in different ways across different organisations in different countries. The most common finding is that there was an increase in benefit costs because organisations were focusing on the wellbeing of employees. Thus, health and welfare programs were expanded to include COVID-19. Income protection programs became more important due to the financial uncertainty caused by COVID-19. Lastly, organisations became more flexible with their time off programs.
- (4) **Development:** The COVID-19 pandemic shaped development in different ways. The most common finding is that anything related to development was conducted virtually. Organisations also had to provide employees with digital technology training as due to the increased use in technological devices during the pandemic. Moreover, the approach to performance/talent reviews were conducted virtually and frequently due to the COVID-19 pandemic. However, a few organisations reported that there was a lack of development in their organisations due to decrease in funding.
- (5) **Recognition:** Due to the COVID-19 pandemic, recognition became very important in organisations because employees were working overtime. There was an increase in the use of informal recognition tools whilst formal recognition programs were conducted online.

Organisations may use the findings of this research to gain insights into how the COVID-19 pandemic shaped reward systems in other organisations across the globe. If these changes were good, organisations may incorporate some of these good changes into their reward systems post-pandemic.

Keywords:

COVID-19, WorldatWork, reward systems, remuneration, compensation, wellbeing, benefits, development, recognition

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Chapter 1: Introduction

The coronavirus (COVID-19) was declared as a pandemic in March 2020 by the World Health Organization (WHO). Therefore, to (i) minimise the pressure health care systems would experience due to the high infection numbers and to (ii) control and reduce the fast spread of COVID-19, countries with confirmed cases implemented a lockdown (Haider et al., 2020; Mboera et al., 2020). A lockdown can be defined as the restriction of movement of the general population aimed at reducing the transmission of COVID-19 (Haider et al., 2020). Therefore, places that were categorised as ‘super-spreaders’ were suspended until further notice, for example all institutions and public transport services. As a result, all non-essential individuals were prohibited from leaving their home. Only essential workers, such as, doctors and nurses, were permitted to physically go to work. Thus, the implementation of the lockdown was unpredictable and disrupted everyday life, ultimately leading to social and economic disruption.

Socially, the lockdown has caused an increase in mental health disorders (Naidu, 2020). For example, in the United States of America (USA) 82.6% of the population are dealing with trauma- or stress-related disorder caused by the pandemic (Czeisler et al., 2020). Economically, the World Bank predicted that global economy would decrease by 5.2% in 2020 and approximately 60 million individuals or more will end up living in extreme poverty (The World Bank, 2020). This is mainly due to the abrupt change in normal business operations. Organisations were forced to operate remotely and as the pandemic evolved, it was unknown how long it would last for. Therefore, organisations had to make important business-changing decisions to preserve their sustainability (Bussin & Swart-Opperman, 2021). These decisions involved layoffs, retrenchments, reducing employee and executive compensation, and possibly a revaluation of their reward systems (Orchard, 2020; Eklund, 2021). Therefore, the purpose of this study is to investigate how COVID-19 shaped reward systems across organisations in different countries as there is limited empirical research on this topic. The theoretical framework that will be used is the WorldatWork total rewards model.

1.1. Research Question

How has COVID-19 shaped organisational reward systems across international contexts?

Chapter 2: Literature Review

2.1. Introduction

This chapter will critically review current and relevant literature trends. Firstly, the COVID-19 lockdowns will be discussed alongside the social and economic effects. Secondly, the different interventions governments made to alleviate the effects of the COVID-19 pandemic will be discussed. Thirdly, a broad overview of rewards and the types of rewards will be defined and discussed. Lastly, reward systems will be defined and discussed alongside two theories of total rewards - Total Rewards 2.0. and the WorldatWork which is the theoretical framework of this study.

2.2. COVID-19 Lockdowns

A lockdown was implemented worldwide in response to the COVID-19 pandemic. The lockdown consisted of three different interventions: “(i) geographic containment; (ii) home confinement; (iii) prohibition of social gatherings and shutdown of institutions and buildings” (Haider et al., 2020, p. 2). Geographical containment prevented the movement of people in and out countries. The main purpose of this was to prevent COVID-19 hotspots from infecting other countries and other areas within a country (Haider et al., 2020). However, certain exceptions were made as essential commodities were permitted to be transported, for example food (Haider et al., 2020). Home confinement required all individuals to remain in their homes. People were permitted to leave their homes for activities such as exercise and purchasing essential items. A curfew was implemented which prevented people from leaving their homes during set times. The prohibition of social gatherings and shutdown of institutions and buildings, included the closure of businesses. Exemptions were made for businesses that sold essential items such as food, medicine, and sanitary items. The lockdown interventions have affected the world in different ways – mentally, economically, socially, or physically etc. However, the underprivileged have been affected the most due to structural inequality (Nguse & Wassenaar, 2021). Nevertheless, the lockdown interventions have ultimately disrupted the traditional patterns of social and economic life (Haider et al., 2020).

2.2.1. Social Impact of COVID-19

Socially, the lockdown has caused an increase in mental health disorders such as, depression, anxiety, post-traumatic stress disorder, obsessive-compulsive disorders, and

phobias (Naidu, 2020). This is mainly caused by the social isolation one experiences as a result of being separated from family and friends (Saladino et al., 2020), and the inability to find a stable income. However, mental health is a topic that is usually disregarded during pandemics as the focus is usually on the economic impacts (Ornell et al., 2020).

2.2.2. Economic Impact of COVID-19

Economically, there has been a decrease in income and manufacturing (Bussin & Swart-Opperman, 2021) which has consequently caused an increase in job loss and the unemployment rate (Orchard, 2020). According to the International Labour Organization (ILO) (2022), the global unemployment rate in 2020 was 6.57% which is a 1.22% increase since 2019. Just alone in SA, approximately 600 000 formal jobs were lost due to COVID-19 (Statistics South Africa (Stats SA), 2020). The job loss was not industry specific but was mainly due to the trade industry, business services industry and the community services industry (Stats SA, 2020). In comparison to SA, the unemployment rate in the United States of America (USA) increased from 4.4% to 14.7% which is the same as the Great Depression in the 1930s (Eklund, 2021).

Due to the abrupt nature of the lockdown, organisations were obligated to adapt to telecommuting practices (remote working) as non-essential workers were confined to their homes. Therefore, all business activity was conducted through online platforms such as Microsoft teams and Zoom. In normal conditions, remote work increases productivity, job satisfaction, leads to an improved work-life balance and is cost-effective (Feng & Savani, 2020; Möhring et al., 2021). Ultimately, the positives outweigh the negatives. However, during COVID-19 the negative outcomes of remote working became more evident. Remote work caused a decrease in collaboration, an increase in work hours and work-life imbalance (Möhring et al., 2021). Additionally, there were salary deductions despite working longer hours (Bussin & Swart-Opperman, 2021). This was caused by a decrease in business activity which caused businesses to manage costs. Organisations had to implement hiring freezes and as a last resort businesses had to force employees to take a furlough, retrench employees or layoff employees to further manage costs (Orchard, 2020; Aguinis & Burgi-Tian, 2021; Eklund, 2021; Slavic et al., 2021). However, not all organisations were negatively impacted by COVID-19. Studies indicate that the effects of COVID-19 were sector specific (Eklund, 2021). The sectors that were negatively impacted were: transportation, airline, entertainment, real estate, sports, oil and gas, restaurants, travel, hotels, automobile, construction, and retail (Eklund, 2021).

Whereas the sectors that performed well were: pharmaceutical, technology, health care, grocery stores, cybersecurity, cleaning products and communication industries (Ogg & Lange, 2020). However, regardless of whether organisations were performing well or badly, many organisations had to re-evaluate their reward systems so that it would be financially sustainable long run.

2.2.3. Government Responses to COVID-19

When the COVID-19 pandemic began, many governments such as Switzerland, USA, India, Australia, SA, and regulatory bodies such as the World Bank, the European Union and the International Monetary Fund implemented recovery plans and aid packages to assist their citizens and organisations in dealing with the COVID-19 pandemic (Alpert, 2020; Eklund, 2021). To provide an example of how governments responded to the COVID-19 pandemic, the recovery plans and aid packages from the USA, Switzerland and SA will be discussed in the following paragraph.

The US government implemented the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which is an aid package of approximately \$2 trillion. The CARES Act included a series of three transfer payments in the form of Economic Impact Payments, the Child Tax Credit and the Unemployment Insurance which was expanded to the Pandemic Unemployment Assistance (Wu et al., 2022). In addition to this, the CARES Act provided financial assistance to organisations, hospitals, state and local governments, universities, health care providers and schools (Alpert, 2020). However, according to Persaud and Andrade, 2020 organisations that received financial assistance through the CARES Act were required to enforce restrictions on executive remuneration. There were also restrictions in terms of what employees could earn, for example if an employee earned a total remuneration of \$425,000 to \$3 million in 2019, they are not permitted to earn more than what they earned within a period of 12 months (Patterson, 2020). In Switzerland, the Swiss government approved an aid package of CHF 60 million which was used to ensure job security, provide support to the self-employed and guarantee an income (KPMG, 2020). Additionally, industries that were negatively impacted from the pandemic were provided with assistance to prevent bankruptcy (KPMG, 2020). In SA, the government announced an aid package of R500 billion in April 2020 (National Treasury, 2020). These funds were used to provide financial assistance to economically vulnerable households by provisionally increasing all the existing social grants. A new social grant was introduced called the COVID-19 Social Relief of Distress grant which

was provided to unemployed individuals who were not received any form of government assistance (The Presidency, 2020). Lastly, the funds were used towards protecting wages, creating jobs, providing support to small and medium and informal organisations, and supporting the healthcare sector (National Treasury, 2020).

The COVID-19 pandemic emphasised the importance of a collectivism which is based off the actions taken by governments and regulatory bodies. Typically, western countries follow a capitalist approach which is centred around individualism and ‘every man for themselves’ mindset but during COVID-19 pandemic they demonstrated a collectivist approach by approving aid packages to support their citizens and the local organisations (Turner, 1988; Eklund, 2021).

2.3. Rewards

A reward is an incentive that is provided to employees for their service within an organisation. Rewards can either be monetary in the form of a salary or non-monetary in the form of recognition or providing an employee with responsibilities (Hoole & Hotz, 2016). Rewards provide employees with financial security, programs supporting work/life balance and access to health care (Kwon & Hein, 2013). Rewards are important in the workplace because they contribute to employee performance. Thus, rewards are used to motivate, maintain high performance, and job satisfaction amongst employees (Arumugam & Seng, 2017). If rewards are not provided, it can limit the effectiveness of skilled employees because they are not motivated (Arumugam & Seng, 2017). Ultimately, rewards are provided to employees by employers to reinforce desirable behaviours as this allows the organisation to achieve their goals (Arumugam & Seng, 2017). Therefore, it is important that leaders understand the benefits of rewards. There are various types of rewards, namely, intrinsic, extrinsic, financial, and non-financial rewards.

2.3.1. Intrinsic and Extrinsic Rewards

An intrinsic reward is the personal satisfaction an employee acquires from the job and are non-monetary. Thus, they are psychological in nature and are derived from engaging in challenging work, receiving positive or negative feedback, and being provided with the opportunity to grow and develop within you job (Hoole & Hotz, 2016; Victor & Hoole, 2021). This in turn provides employees with motivation and job satisfaction (Renard & Snelgar, 2016).

According to Renard and Snelgar (2016), intrinsic rewards are more motivating for employees than extrinsic rewards.

An extrinsic reward is a tangible, transactional reward provided to employees in the workplace (Renard & Snelgar, 2016). Examples of extrinsic rewards include salary, salary bonuses, raise in salary, promotions and benefits (Hoole & Hotz, 2016). Extrinsic rewards increase employee productivity, commitment to the organisation and decreases turnover (Hoole & Hotz, 2016). Additionally, extrinsic rewards act as a stimulus in motivating employees to perform in workplace, however this decreases an employee's intrinsic motivation which is provided by intrinsic rewards (Renard & Snelgar, 2016; Hoole & Hotz, 2016). Extrinsic rewards are important in organisations as they assist in retaining talented employees (Khan et al., 2017). However, solely using extrinsic rewards can lead to employees becoming greedy causing them to not to concentrate on the work itself, meaning they can be poor motivators and not sustainable (Hoole & Hotz, 2016).

2.3.2. Financial and Non-Financial Rewards

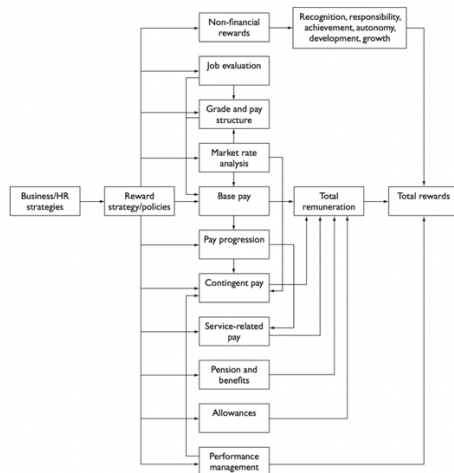
Financial rewards are transactional consisting of salary and benefits which make up the total remuneration packages in organisations (Victor & Hoole, 2021). Financial rewards tend to be implemented in developing countries as they are more valued by the employees (Serhan et al., 2021). However, the ability to provide financial rewards during COVID-19 may not have been possible for most organisations. Non-financial rewards are intangible and relational which consist of opportunities for learning and development (Victor & Hoole, 2021). Non-financial rewards are similar to intrinsic rewards in the sense that they provide psychological satisfaction. Ultimately satisfying an employee's intellectual demands which enhances an employee's talents and strengthens relationships in the workplace (Victor & Hoole, 2021).

2.4. Reward Systems

A reward system consists of 16 components which are all interrelated, as illustrated in Figure 2.1.

Figure 2.1

Reward system components and interrelations (Armstrong, 2006).



A reward system is used to attract and retain talented employees and generate positive employee behaviour such as productivity, motivation and high performance (Kwon & Hein, 2013; Khoiruddin et al., 2018; Serhan et al., 2021; Salman and Olawale, 2021). It is the combination of the processes and practices that ensure that reward management is administered effectively to the benefit the organisation and their employees (Armstrong, 2006). It is based on the reward strategy which is influenced by the business strategy (e.g., to gain a competitive advantage) and the HR strategy (e.g., being resourceful but still satisfying the needs of the organisation and the employees), and these are all affected by the environment (Armstrong, 2006). A well-designed reward system will positively influence an employee's attitude and behaviour regarding the job requirements if the rewards being offered satisfy their needs and assist them in achieving their personal goals (Salman & Olawale, 2021).

The relationship between performance and reward systems has been widely investigated. Performance forms the foundation for organisations to constantly achieve profits and marginal gains in the long term (Abdo et al., 2021). Therefore, high performance is important if an organisation wants to maintain sustainability and competitive edge (Salman & Olwale, 2021). Employees cannot be programmed or controlled to perform in a satisfactory manner (Serhan et al., 2021). However, their needs can be satisfied through a well-structured reward system which will lead to a high performing employee (Serhan et al., 2021). This trend is the same in teams. In a study investigating the effect of reward systems on team performance, it was evident that receiving rewards promoted high team performance and optimal team cohesiveness without needing any motivational factors (Serhan et al., 2021). This contradicts studies that indicate that high performance is mediated by motivation. Findings from a study

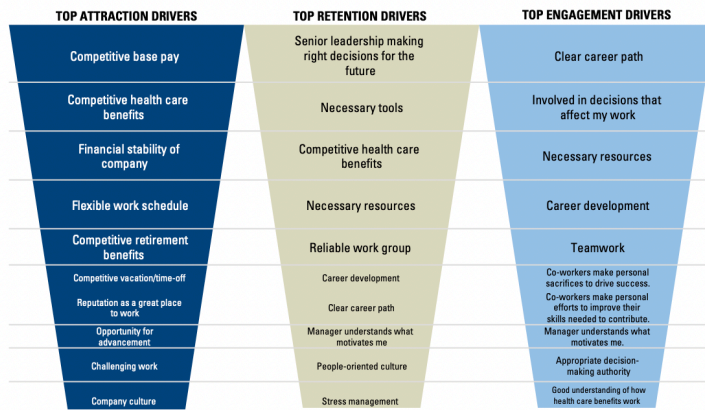
conducted by Arumugam & Seng (2017) indicate that financial rewards alongside motivation are important for improving performance which in turn enhances job satisfaction. During COVID-19, it was a difficult task to maintain motivation and high performance through remote working. Additionally, organisations were not generating a profit which could have led to organisations adjusting their reward systems.

2.4.1. Total Rewards

Total rewards is the final component of the reward system which is inclusive of all types of rewards and cash payments. This is what employees will receive when working for an organisation. Total rewards are used to attract, motivate, satisfy, and retain employees in order to achieve optimal organisational performance (Bussin et al., 2017; Armstrong, 2010). Based on research conducted across multiple disciplines by Hewitt (2012), it was found that different elements of total rewards induce different behaviour and outcomes. Some rewards play a vital role in attracting perspective employees whilst other rewards play a vital role in engaging or motivating employees. Kwon and Hein (2013) found that financial rewards are important amongst employees however, it is the combination of other rewards that make the job more attractive amongst employees. Thus, emphasising the importance of total rewards in organisations. Moreover, research shows that the most important rewards in retaining talent in the workplace are financial rewards, recognition, and development opportunities (Bussin & Toerien, 2015). In a study conducted by Khoiruddin et al. (2018), it was found that remuneration positively influences motivation and job satisfaction. Consistent with this, a study conducted by Schlechter et al. (2014) with a sample of 169 employees across Cape Town and Johannesburg, it was discovered that a having a high remuneration was a significant job attractor, alongside benefits and variable pay. Similarly, during COVID-19, it was found that financial benefits such as bonuses was positively related to employee retention (Elsafy & Ragheb, 2020). However, the top drivers are illustrated in Figure 2.2.

Figure 2.2

The top attraction drivers, top retention drivers and top engagement drivers (Kwon & Hein, 2013).



2.5. Total Rewards 2.0

The total rewards 2.0 addresses the shortcomings of the total rewards 1.0. The model focuses on the employees and the Chief Executive Officer (CEO) who determines the organisation’s values, goals, and the purpose (Bolger & Hansen, 2021). The main aim is to use human capital to improve decision-making, organisational commitment, and diversity (Bolger & Hansen, 2021) to achieve the organisations goals. The model focuses on having a good job design to attract and retain employees. Jobs may be redesigned and improved to promote high performance, collaboration and job sharing (Bolger & Hansen, 2021). This will in turn contribute to the organisation’s financial success. Figure 2.3 illustrates the different components of the total rewards 2.0 model and how each component links with one another.

Figure 2.3

Total rewards 2.0 (Bolger & Hansen, 2021).



2.6. WorldatWork Total Rewards Model

WorldatWork is a non-profit human resources (HR) association that was founded in 1955 for professionals and organisations focused on remunerations, work-life balance, benefits, and total rewards. This global association offers certification training to HR practitioners and reward specialists. The WorldatWork total rewards model is the theoretical framework of this study and was chosen because it is the most used total rewards model and was originally created in 2000 and was last updated in 2017. The WorldatWork model ultimately leads to employee job satisfaction and organisational commitment (Bussin et al., 2017). Figure 2.4 illustrates the components of the model and how each component interlinks.

Figure 2.4

WorldatWork total rewards model (WorldatWork, 2020)



The model consists of five components:

1. **Compensation (remuneration):** pay provided to employees by employers for services rendered (e.g., time, effort, talent) in the organisation (WorldatWork, 2020). This is inclusive of a salary or fixed pay and variable pay (WorldatWork, 2020).
2. **Well-Being:** ensuring that employees are comfortable, happy, productive, and healthy considering the external factors (i.e., mental, financial and the environment) (WorldatWork, 2020). Professionals who administer total rewards influence employee's well-being by developing programs that promote employee success inside and outside the workplace (WorldatWork, 2020).
3. **Benefits:** “programs focused on health and welfare, income protection, financial preparedness, retirement and time off including leaves of absence, aimed to provide holistic well-being and security for the [employees] and their families” (WorldatWork, 2020, p. 3).

4. **Development:** the rewards and opportunities provided to employees by employers to advance their skills, competencies, responsibilities and contributions in their short-term and long-term careers (WorldatWork, 2020).
5. **Recognition:** “formal or informal programs [that are put in place] to thank, validate, recognise and celebrate employee contributions while strengthening organisational culture” (WorldatWork, 2020, p. 3).

2.6.1. Remuneration

Prior to the COVID-19 pandemic, the approach to remuneration differed across countries and organisations but there were some communalities. Firstly, organisations had very specific job descriptions which resulted in narrow pay ranges (Bussin, 2022). Secondly, performance management systems which measured key performance areas and key performance indicators were written in an inflexible and measurable manner (Bussin, 2022). As a result, there were narrow pay scales and inflexible pay progression policies (Bussin, 2022). However, not all organisations operate in this manner and their agility has resulted in a change in the approach to remuneration across organisations.

When COVID-19 was declared a pandemic, organisations implemented remote working, jobs related to food, healthcare and technology became more valuable, and there was a slowdown in economic activity. Due to all these factors, Patterson (2020) found that organisations either took immediate action to preserve funds whilst others adopted a ‘wait and see’ approach. To determine whether or not an organisation has adopted that correct approach in the long run would depend on the type of industry. Thus, industries that were performing well should have adopted the ‘wait and see’ approach whilst those not performing well should have taken immediate action. However, Aguinis and Burgi-Tian (2021) indicate that different sized organisations across different industries were experiencing revenue and budget reductions. Therefore, a majority of organisations took action and implemented salary freezes, remuneration reductions and cancelled bonuses (Korn Ferry, 2020; Aguinis & Burgi-Tian, 2021; Reza et al., 2021).

Patterson (2020) revealed that it is essential that the changes to remuneration are fair and transparent. Meaning, any changes that are applied to remuneration must be applied consistently and fairly across the organisation, including the executives. However, Eklund (2021) argues that executives were unfairly punished if their industry was underperforming because, based on the shareholder theory, CEO’s (executives) who work in industries that

perform well are compensated due to their financial success, whereas CEO's working in underperforming industries are rather punished (Eklund, 2021). Nevertheless, executive remuneration was affected the most during the COVID-19 pandemic and this will be discussed in more depth in the subsequent paragraphs.

2.6.1.1. Fixed Pay. Fixed pay is the guaranteed basic pay an employee will receive every month, for example a salary. Fixed pay ensures that employees receive a justifiable market-related salary (Bussin & Sedlmaier, 2022). Due to the COVID-19 pandemic, organisations decided to offer more in terms of flexible working hours, reduced working hours in turn for reduced pay and paid or unpaid sabbaticals (Bussin & Sedlmaier, 2022). Alongside this, organisations cut salaries and froze annual salary increases which employees were willing to accept due to the number of people being retrenched and the vast number of businesses shutting down (Markey, 2020; Patterson, 2020; Korn Ferry, 2021; Bussin & Sedlmaier, 2022). However, according to Korn Ferry (2021), annual salary increase freezes were more common than salary cuts. In a global study conducted by Korn Ferry (2021), it was found that in March 2020, 20% of organisations implemented salary cuts which increased to 29% in April 2020 (Korn Ferry, 2021). Findings from a study conducted by Bussin (2022) show that fixed pay cuts still occur in the present (post pandemic) to alleviate retrenchments. Nevertheless, in March 2020, 34% of organisations implemented salary freezes which increase to 42% in April 2020 (Korn Ferry, 2021). However, instead of implementing annual salary increase freezes 23% of organisations deferred their annual salary increases whilst 19% of organisations were considering implementing deferrals (Korn Ferry, 2021). However, this is a broad global overview of how the COVID-19 pandemic has affected organisations because, as previously mentioned, countries and industries were affected differently.

To be more specific, salary freezes were most prevalent in South America and salary cuts were more prevalent in EMEA which is due to the employment protection measures in Europe (Korn Ferry, 2021). In addition to this, the findings show that the industries that made the least changes are the healthcare and life sciences industries but the industry that made the most changes was the consumer industry as more than 50% of these organisations implemented salary freezes and 40% of organisations implemented salary cuts (Korn Ferry, 2021). The findings from this study also show that executives were impacted the most by salary deductions (Korn Ferry, 2021). Consistent with this study, Patterson (2020) found that in an organisation called 'Associated British Foods' which is in the United Kingdom, the CEO and CFO only

received 50% of their fixed salary whilst the executive directors did not receive end of year bonuses. This demonstrates that executives were affected the most by salary deductions.

The implementation of remote working has challenged the way fixed pay is set because employees can now work from anywhere. For example, if an organisation is based in one country, an employee can work from another country or even in another province/city/state within that country. As a result, some organisations made the decision to pay employees based on the cost-of-living index of the area in which an employee is working and living in (Bussin & Sedlmaier, 2022). This creates tax challenges but there are also legal constraints with doing this because if an employee has moved to a cheaper cost of living area, it is not fair to lower their fixed pay based on this. While on the topic of cost of living, organisations typically provide employees with yearly cost of living adjustments. A cost-of-living adjustment is an increase in fixed pay which is based off a measure that estimates how much money an individual or a household will need to maintain their standard of living (Miller-Merrell, 2020). Mercer (2022) reveals that during a crisis (the COVID-19 pandemic can be categorised as a crisis in this context) organisations may defer their cost of living adjustments until the situation has been stabilised.

2.6.1.2. Variable Pay. Variable pay is performance-based remuneration that is not guaranteed and must be earned to be received, for example a bonus or an allowance (Durham & Bartol, 2012). According to Bussin (2022), organisations sought out a more humane way of measuring employee performance by incorporating ESG (Environment, Social and Governance) metrics. More emphasis was placed on the social component which comprises of DEI (Diversity, Equity and Inclusion) (Bussin, 2022). Therefore, to provide employees with short-term financial security, organisations decreased variable pay to allow for a small increase in employees monthly fixed pay (Bussin & Sedlmaier, 2022).

Variable pay comprises of short-term incentives (STIs) and long-term incentives (LTIs). STIs are centred around annual performance and LTIs are dependent on employees and organisations meeting the required performance criteria (Bussin & Sedlmaier, 2022). According to Korn Ferry (2021), most organisations were not considering changing their STIs or LTIs. However, the number of organisations that have reduced or deferred their STIs has increased by six percent. Korn Ferry (2021) further found that 14% of organisations deferred or reduced their short-term incentives/annual bonuses, 22% of organisations were considering this and 64% were not considering this. Consistent with this, Bussin and Sedlmaier (2022) found that COVID-19 had a big impact on “incentives such as sales commissions, overtime,

annual bonuses, and even executive performance bonuses.” Due to the slowdown in business operations, employees were unable to reach targets that were previously achievable which resulted in organisations not having enough profits to reward the employees (Bussin & Sedlmaier, 2022). According to Ebrahimi (2020), employees are getting frustrated with the low levels of variable pay despite employees working much harder whilst executives may be content with their variable pay as it is only received by overreaching the organisations goals in which they may be willing to take a risk for a higher reward. On the other hand, employees at lower levels prefer certainty rather than uncertainty within their remuneration structures (Ebrahimi, 2020). The COVID-19 pandemic caused uncertainty within their variable pay because organisational goals could not be met, and the employees could not influence or work harder to meet these goals because it was beyond their control.

As previously mentioned, an allowance is a form of variable pay. According to Korn Ferry (2021), only 17% of organisations were providing employees with allowances for attending work such as a supplementary bonus or hazard pay, 12% of organisations were considering providing allowances but 71% of organisations were not considering providing allowances. In addition to this, allowances were provided to employees to cover WiFi and any other utilities that are needed for work. Korn ferry (2021) found that 15% of organisations were providing allowances but 74% were not considering doing this. Therefore, organisations have tried to be innovative with their variable pay to ensure that employees were comfortable with working from home.

2.6.2. Well-being

Due to the COVID-19 pandemic, organisations across the globe prioritised the health and well-being of the employees (Patterson, 2020). Employee’s health and wellbeing was not only affected by the probability of contracting the COVID-19 virus but was also being affected by being confined to their homes (Núñez-Sánchez et al., 2021). This in turn changed the way work is done because remote working has been implemented, and this has led to an increase in employee stress and burnout (Aguinis & Burgi-Tian, 2021). Even company owners, with approximately two in five reporting to have suffered from depression, anxiety and exhaustion in the first year of the COVID-19 pandemic. To some extent, these challenges existed but have been amplified due to the COVID-19 pandemic.

In a two-part study conducted by Slavic et al., (2021) in Hungary with 508 responding organisations in May to November and 1041 responding organisations in June to July. Majority

of the organisations were private (50%), 25% were foreign-owned organisations and 15% were from the public sector. This study found that organisations were working from home and had implemented new occupational health and safety measures (Slavic et al., 2021). The most significant challenges that these organisations were facing in both parts of the study were an increase in family requirements which has led to an increase in work-family conflict, there was an increase in health risks and yearly holidays were used to work (Slavic et al., 2021). Similarly, findings from a survey conducted by Osborne (2021) show that employees were experiencing longer work days and despite saving time by not having to travel to meetings, online meeting took longer because they are much more accessible. In addition to this, the findings show that their colleagues also impact their schedules because they may find themselves replying to emails at odd hours or taking longer to complete tasks that require input from their colleague because they were busy home schooling their children (Osborne, 2021).

All these challenges contributed to the stress and burnout of employees. Therefore, to alleviate this some organisations began providing virtual wellness programs such as yoga, mental counselling (Korn Ferry, 2021). According to Korn Ferry (2021), globally, 39% of organisations were providing these wellness programs, 18% of organisations were considering this and 43% of organisations were not considering this. In addition to this, if an employee is sick and has exhausted their sick leave, 42% of organisations were generous enough to provide employees with their full remuneration (Korn Ferry, 2021). However, Osborne (2021) found that to address stress and burnout, organisations need to communicate work expectations within the working hours.

In a recent report conducted by the Adecco Group (2021), it was found that 75% of employees wanted flexible work arrangements, a hybrid working model, when lockdown restrictions ease up. Moreover, the findings show that 74% of employees think it is necessary to provide support for mental wellbeing after the pandemic. Yet only 54% of organisational leaders felt that it was difficult provide mental wellbeing advise during the COVID-19 pandemic (Núñez-Sánchez et al., 2021). This may also explain why Korn Ferry (2021) found that 43% of organisations were not considering implementing virtual wellness programs. However, from a physical wellbeing perspective, 80% of Spanish employees, 81% of American employees and 77% of UK employees felt that this was an important aspect of their working lives (Núñez-Sánchez et al., 2021).

2.6.3. Benefits

Benefits are provided to employees to motivate them to perform better (Stalmašekova et al., 2017). During the COVID-19 pandemic, it was found that globally, seven percent of organisations were considering reducing their benefits, 11% of organisations were considering reducing their benefits and 82% of organisations were not considering reducing their benefits (Korn Ferry, 2021). A majority of organisations did not reduce their benefits because benefits are not related to employee performance but at times, they may be related to the time an employee has been working in company (Stalmašekova et al., 2017). For example, a survey was conducted by an American organisation called Glassdoor and the findings show that 60% of the respondents indicate that benefits are the reason why employees remain at an organisation. The most favourable benefits amongst these employees are as follows: 40% of employees preferred healthcare insurance, 37% of employees preferred vacation or paid time off, 35% preferred performance bonus, 32% preferred paid sick days and 31% preferred a 401(k) plan, retirement plan and pension (Glassdoor, 2016). In comparison to this, a study was conducted in Slovakia to determine which benefits university students would prefer. This study had a sample of 100 participants in which 50% of these students had work experience. The findings of this study show that 69% of students prefer flexible working hours, 69% prefer a company care that could be used for private purposes, 60% prefer an extra paid vacation, 45% prefer a home office, 38% prefer a company phone, 31% prefer a sick day, 31% prefer accommodation or allowances, 29% prefer a language tutor, 25% prefer teambuilding or entertainment tickets, 24% prefer spa/gym discounts, 22% prefer being provided food and beverages at the workplace and 20% prefer transport allowances (Stalmašekova et al., 2017). As demonstrated by these two studies, benefit preferences are influenced by culture because the most desired benefits differ across different countries.

As previously mentioned, benefits consist of health and welfare programs. Deloitte (2020) conducted a study investigating the impact of COVID-19 on health insurance programs. The findings show that the effects are different across the globe because it is dependent on what the government is offering. For example, in Ireland, the government released an official order making sure that private hospital services are readily available to the public to support COVID-19 cases, whereas in other countries, private hospitals were not forced to provide these services but have volunteered (Deloitte, 2020). Depending on how governments have responded and self-isolation, there has been a reduction in the volume of claims (Deloitte, 2020). However, the findings show that if an individual is paying for private health insurance,

but the government is making private health care available to all, there is a possibility that these clients may want a refund or be credited (Deloitte, 2020).

Benefits also consist of income protection programs. Deloitte (2020) conducted a study investigating the impact of COVID-19 on life insurance and pension. The findings reveal that due to the impact of COVID-19 on the economy, consumer spending power and willingness to spend has decreased significantly which has resulted in insurers providing payment breaks to clients (Deloitte, 2020). In addition to this, the findings reveal that life insurers did not see a large amount of life claims for individuals who had perished because of COVID-19 as they were part of the age cohort that did not have insurance (Deloitte, 2020). However, it is indicated that there may be an increase in death amongst the age cohort that does have insurance due to fear of seeking medical care (Deloitte, 2020).

Lastly, time off programs are also incorporated in organisational benefits. According to Korn Ferry (2021), leave management has significantly increased as 55% of organisations are implementing or considering implementation. The findings from this survey reveal that 42% of organisations have implemented paid leave policies, 16% are considering this and 42% are not considering this. In contrast to this, only 15% of organisations are offering voluntary unpaid leave, 14% are considering this and 71% are not considering this (Korn Ferry, 2021).

2.6.4. Development

According to Schwab and Zahidi (2020), approximately 90 million jobs are going to be created but 60 million jobs are going to be destroyed and this affects a lot of jobs. Therefore, it is important to reskill and upskill people because of the huge technological change. Due to this change, people will be interacting in different ways and the allocation of responsibilities will be different. Therefore, development is important as it ensures that no one will be left behind. In addition to this, development promotes organisational citizenship behaviour (Manenzhe & Ngirande, 2021). In contrast to this, Chiwawa and Wissink (2021) found that that development is not a significant determinant of employee engagement. According to Slavić et al. (2021), during the COVID-19 pandemic, there was a reduction development programs. This is due to organisations being unable to measure performance and ways to improve performance whilst remote working (Korn ferry, 2021). However, Maley (2019) argues that development programs are important during crises such as the COVID-19 pandemic. With the implementation of remote working, the development of employees is important for remote working to be

successful (Vasić, 2020). Therefore, Slavić et al. (2021) emphasise the importance of investing in development programs.

According to Chanana and Sangetta (2020), the COVID-19 pandemic resulted in organisations becoming inventive with their development programs these programs had to be conducted virtually. For example, organisations have been conducting virtual team meet-ups, virtual learning and development sessions for new-skill training, digital classrooms training modules and e-learning modules (Chanana & Sangetta, 2020).

2.6.5. Recognition

According to Nayak et al. (2020) employee recognition promotes growth, transformation and organisational performance. A lack of employee recognition may result in psychological distress which leads to job dissatisfaction (Nayak et al., 2020). Therefore, employee recognition is essential during the COVID-19 pandemic. In a study conducted in the UK, it was found that remote working had caused an increase in workload which has resulted in people working for approximately an extra two or more hours per day (Osborne, 2021). Despite this, one of the biggest challenges that organisations were experiencing during the COVID-19 pandemic was measuring performance and ways to improve performance while remote working (Korn Ferry, 2021). Additionally, it was also a challenge to maintain employee engagement levels (Korn Ferry, 2021). Thus, Kaushik and Guleria (2020) emphasise the importance of maintaining and improving recognition programs. Similarly, Bussin and Sedlmaier (2022) found that during the COVID-19 pandemic, organisations were in fact recognising employees for outstanding performance. This increased focus on recognition has been embraced post-pandemic because it was found that there was an increased focus on recognition (Bussin, 2022).

As previously mentioned, recognition consists of both informal and formal recognition. Sachedeva and Heffernan (2020) emphasised that organisations should maintain their informal recognition programs because it inspires creativity and increases employee engagement which is important when remote working (Sachedeva & Heffernan, 2020). Consistent with this, Kaushik and Guleria (2020) found that the use of peer-to-peer and manager to subordinate recognition assists with motivation which will help the organisation stay on track to achieve organisational goals.

In recent years, there has been an increase in the use of social media in organisations. Social media platforms have been used to promote organisations but have also recently been

used for employee recognition. In a study investigating the effects of social media as a recognition tool in organisations it was found that public recognitions validate the work that employees do and eliminate bias because it is visible to the public (Nayak et al., 2020). Additionally, social media recognition enhances the organisational culture as the organisation creates a culture of where every opinion is valued because all employees have the ability to comment on a post where a colleague has been recognised (Nayak et al., 2020). It all enables organisations to create a culture of togetherness, positive reinforcement, and appreciation in the workplace (Nayak et al., 2020).

2.7. Sub-Research Questions

Thus, to investigate how COVID-19 has shaped organisational reward systems, the following sub-research questions have been created which are the five components of the WorldatWork total rewards model. The sub-research questions are as follows:

1. How has COVID-19 shaped remuneration in organisations?
2. How has COVID-19 shaped well-being in organisations?
3. How has COVID-19 shaped benefits in organisations?
4. How has COVID-19 shaped development in organisations?
5. How has COVID-19 shaped recognition in organisations?

Chapter 3: Research Methodology

3.1. Introduction

This chapter outlines the research design and methodology that was used in this study. A qualitative, exploratory research approach located within the interpretivist research paradigm was used to gain insights into the changes in organisational reward systems due to COVID-19. Data was collected through one-on-one semi-structured online video call interviews with individuals working within the human resources field who have expert knowledge and practical experience in employee reward management. The quality controls, ethical considerations, and limitations of the study have been presented at the end of the chapter.

3.2. Research Philosophy

A research philosophy can be described as a system of beliefs and assumptions regarding how knowledge is acquired (Saunders et al., 2019). It shapes the design of a research study and influences which research paradigm is best suited for the research study (Eriksson & Kovalainen, 2016; Žukauskas et al., 2018). The research paradigm describes the researcher's worldview which indicates how the researcher views, interprets and acts in that world (O'Neill & Koekemoer, 2016). A research paradigm allows for a more thorough investigation of the phenomenon and guides how the phenomenon should be investigated (i.e., the choice in methodology), and how the results should be interpreted (O'Neill & Koekemoer, 2016; Kivunja & Kuyini, 2017). It comprises of ontology and epistemology.

3.2.1. Ontology and Epistemology

Ontology consists of a set of assumptions that describes the nature of reality (what counts as real) or the nature of the phenomenon that is being researched (Kivunja & Kuyini, 2017; Saunders et al., 2019). It is the researchers underlying belief system that influences how the researcher will interpret reality and the data gathered (Kivunja & Kuyini, 2017). Therefore, ontology helps researchers clarify what is considered as reality and what knowledge can be acquired from this reality. The ontological dimension in this research is relativist in nature. Therefore, the research believes that there is no one 'true' reality and that this study has multiple realities. This is mainly because reality is relative according to how each individual has experienced organisational reward systems during the COVID-19 pandemic. These

realities were explored, and meaning was created through individual interactions with the research subjects (Chalmers & Glasziou, 2009).

Epistemology addresses what counts as knowledge and the best way to access that knowledge (Saunders et al., 2019). Thus, it clarifies how knowledge is acquired by clarifying the relationship between the researcher and the knowledge that can be potentially gained (Maher & Dertadian, 2018). The epistemology dimension in this research is subjective in nature. Therefore, the researcher established the meaning of the data through the interaction with the experienced participants. The interaction in this study was in the form of socialising, dialogue, listening and recording the data.

3.3. Research Paradigm: Interpretivism

This research study is located within the interpretivist research paradigm. Interpretivism is defined as “the study of social phenomena in their natural environment” (Saunders & Lewis, 2018, p. 109). Interpretivists believe that reality is socially constructed and that there is no single, observable reality. Due to the complexity of the human beings and their respective social worlds, interpretivists are therefore not concerned about reaching a consensus, but rather embrace diverse viewpoints (Forrest-Lawrence, 2019). Thus, interpretivists seek to understand the thoughts and experiences of their research participants, along with the meaning that is created as a result of these thoughts and experiences. Therefore, interpretivists deliberately seek to understand the research subject’s perspective instead of their own perspective in relation to the phenomena being investigated.

3.4. Research Design

This study adopted an exploratory research approach to investigate how the COVID-19 pandemic has shaped reward systems. Exploratory research is qualitative in nature and is used to discover new information regarding phenomena that have knowledge gaps (Rahi, 2017; Saunders & Lewis, 2018). Qualitative research involves meticulous observation of participants, often through direct interaction, to describe and interpret the phenomenon being researched (Gravetter & Forzano, 2019). Qualitative research allows this by investigating why the phenomenon is happening and what it means, while or after it has happened (Williams & Moser, 2019). Consequently, qualitative research is the ideal approach for the purposes of description and interpretation (Peshkin, 1993; Busetto et al., 2020). Therefore, in the description sense, qualitative research will reveal the nature of the situation. In the

interpretation sense, qualitative research will provide the researcher with new insights, which is essential for this research question.

Qualitative research allows the researcher to obtain rich data and deeply explore the phenomenon (Levitt et al., 2018). Thus, qualitative research is useful when exploring phenomena that have not been thoroughly researched (Njie & Asimiran, 2014), and is therefore appropriate for this study due to the lack of research on how COVID-19 has shaped organisational reward systems.

3.5. Multiple Case Study

To effectively address the research question(s) this study adopted a multiple case study research design. Case studies are interpretivist in nature and are used to obtain rich description of the general situation, the specific research topic, and provides further understanding of the topic (Lee et al., 1999; Yin 2009, 2012; Creswell, 2014). This design was best suited for this study as it allowed for an in-depth analysis of current events in real-time (Bryman & Bell, 2014). Furthermore, it allows for an analysis of people, groups of people, and institutions (Sturman, 1997; Creswell, 2014). A case study design is widely used in business research which is appropriate for this study because the study interested in the differences across different organisation in different countries (Eisenhardt & Graebner, 2007; Bryman & Bell, 2014). Case studies are preferred when the researcher has little control over the event (Rahi, 2017) which was suitable for this study as the researcher has no control over reward systems. Lastly, this study is focused on providing an explanation as to ‘how’ COVID-19 has shaped organisational rewards systems and the use of a case study is best suited for this type of question.

3.6. Population and Sampling

The population of this research project comprised of all organisations that adopted different reward system practices as a result of COVID-19. The sampling method that was used was purposive sampling. This is a non-probability form of sampling. The main purpose of this sampling technique is to select participants strategically so that the participants are relevant for the purpose of the research (Bryman & Bell, 2014). Purposive sampling was appropriate for this study as the researcher was interested in individuals who have knowledge on reward systems. As a result, participants were selected purposively from companies the researcher had pre-existing connections with executives. By doing this the researcher ensured the study’s relevance and credibility by gathering insights from those who were well-versed in reward

systems. This targeted approach also created a sense of trust among participants because they knew the researcher which contributed to the quality and depth of the research.

The sample consisted of a combination of HR directors, CEOs, Consultants and Business Owners from 12 different countries. Each participant worked for a different company, whilst three participants were from the same multinational organisation but located in different countries. Company size did not affect the selection of participants.

3.7. Data Collection Procedure

Once ethical approval for the study was obtained by the Faculty of Commerce Ethics in Research Committee, the study proceeded with data collection. Each participant was invited to participate in the study via email, as illustrated in Appendix A. Out of the 18 participants that were approached, 12 agreed to participate in this study. The researcher conducted all interviews online via Microsoft Teams and began with the process of obtaining informed consent and guiding participants through the study aims. The interviews were 30-45 minutes in length and were recorded as consent was provided by each participant. Following each interview, the recording was transcribed in preparation for data analysis.

Data was collected using semi-structured interviews which uses a combination of closed- and open-ended questions, and follow-up how and why questions (Adams, 2015). An interview guide, as illustrated in Appendix B, was prepared before each interview. Open-ended questions were used to obtain rich and meaningful data.

3.8. Data Analysis

For data analysis, this study used thematic analysis which is an exploratory process. This is best suited for the research question as the purpose of this study is to explore how COVID-19 has affected reward systems. The use of thematic analysis enables the discovery, analysis and reporting of patterns (i.e., themes) in the data (Braun & Clarke, 2006). This study used a deductive approach to thematic analysis using Braun and Clarke's (2006) stages of thematic analysis as illustrated in Table 3.1 using the NVivo 12 software. Due to the nature of the research problem, a deductive approach to building theory from emerging patterns and themes in the literature contributed to how data was collected and analysed (Braun & Clarke, 2019).

Table 3.1*Phases of thematic analysis* (Braun & Clarke, 2006, p. 87)

Stage number	Phase	Phase description
1	Familiarising yourself with your data	Transcribing data, reading and re-reading the data, noting down initial ideas
2	Generating Initial coding	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code
3	Searching for themes	Collating codes into potential themes, gathering all data relevant to each potential theme
4	Reviewing themes	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (level 2), generating a thematic “map” of the analysis
5	Defining and naming themes	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme
6	Producing the report	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis

3.9. Quality Controls

The quality of the research will be controlled by following the four aspects of trustworthiness as proposed by Myres (2021): credibility, transferability, dependability, and confirmability.

3.9.1. Credibility

This is the alternative to internal validity. Credibility is the extent to which the researcher accurately represented the truth in the results (Cypress, 2017). To ensure credibility, the researcher firstly conducted pilot interviews. The pilot interviews limited personal bias, which is common in qualitative research. Additionally, the researcher made field notes whilst conducting interviews to identify any personal biases that arise (Hadi & Closs, 2016). To further ensure credibility, the researcher conducted triangulation, which is the use of two or more data collection methods (Yin, 2018). Thus, the researcher recorded the meeting and field notes were taken. Lastly, the researcher conducted persistent observation to ensure credibility. Thus, the research took note of any emotional reactions and change of tone during the

interview. The researcher made note of this in the field notes that were taken during the interview.

3.9.2. Transferability

This is the alternative to external validity. Transferability refers to whether the study can be adopted to other situations (Hammarberg et al., 2015). To ensure transferability the research provided thick descriptions by providing a detailed description and interpretation from the beginning of the research to the final research report. In addition to this, the researcher used purposive sampling to recruit participants. The use of purposive sampling ensured that the researcher obtained accurate answers as the participants are well acquainted with the research question.

3.9.3. Dependability

This is the alternative to reliability. Thus, dependability refers to the consistency of the results. To ensure dependability the researcher provided an audit trail describing in detail the research methodology, how the data was collected, how the themes were derived and how the conclusion was obtained. However, dependability may be difficult due to the ontological assumption, as reality is socially constructed.

3.9.4. Confirmability

This is the alternative to objectivity. To ensure confirmability, the researcher kept an auditable record of the research process. Furthermore, the researcher kept a reflexive journal which comprised of a detail narration of everything that occurred during data collection.

3.10. Ethical Considerations

Ethical clearance was obtained from the Faculty of Commerce Ethics in Research Committee, which can be found in Appendix C, before the study was carried out. The approved procedures were followed throughout the study. All participants in the study were provided with a letter of informed consent, as illustrated in Appendix D, before the interviews were conducted. Participants were informed that their participation in the study was voluntary and that they have the right to withdraw from the study at any point without any penalties or consequences. Participants were informed that the study poses no direct harm or threat, and no data will be used without their consent. Participants who consented to participate in the study

were briefed on the interview procedure and the types of questions asked. During the interview, verbal consent to record the interview was obtained, despite being outlined in the informed consent form. Participants were assured that all information shared during the interview would be confidential and that the findings of the study would be reported anonymously with no identifiers.

3.11. Research Limitations

The limitations associated with qualitative research include: (i) qualitative research is used to portray participants subjective opinions, which is an advantage in studies, but this subjectivity can be a limitation (Rahman, 2017). Additionally, the data analysis process may be time consuming, and the findings cannot be generalisable to the wider population (Rahman, 2017). Moreover, having smaller sample sizes contributes to the lack of generalisability (Rahman, 2017). (ii) Qualitative studies are difficult to replicate and since researchers are an important part during the process of the research; (iii) causal inferences cannot be made since alternative explanations cannot be ruled out. Furthermore, face-to-face interviews (despite being virtual) can be affected by self-consciousness, rapport, transference, interviewer bias and modelling (Cozby, 2009). The researchers lack of experience in conducting interviews may compromise the data collection (Saunders et al., 2019). To minimise this limitation, the researcher carried out pilot interviews which gave the researcher sufficient time to practice (Chenail, 2011). Moreover, the manner in which the researcher asked questions could be flawed. Meaning, questions may have been asked differently to different participants. However, to avoid this bias, the researcher asked each participant the exact same question during the interview.

Chapter 4: Analysis and Discussion

4.1. Introduction

This chapter presents the results of how COVID-19 shaped organisational reward systems across international contexts. The results will also be discussed in more detail with reference to literature that was presented in Chapter 2.

4.2. Sample Description

A total of 12 interviews were conducted with professionals working within human resources in 11 different countries. The sample was made up of four females and eight males, with varying years of experience ranging from six months to 36 years in the organisations they worked in. The size of the organisation was based on the number of employees in the organisation: (a) Small: Under 100 employees; (b) Medium: 100 employees – 1000 employees; (c) Over 1000 employees. Table 4.1 provides a summary of the sample.

Table 4.1

Summary of research participants interviewed

	Country	Gender	Size of organisation	Number of years in current position	Job title
P 1	Zimbabwe	Male	Medium	6	Human resources manager
P 2	India	Male	Large	4	Compensation and benefits manager
P 3	Nigeria	Female	Medium	10	Senior human resources generalist
P 4	New York	Male	Small	26	President of Rubino consulting services
P 5	South Africa/Africa	Male	Medium	36	Head of human resources for HUB Africa
P 6	Singapore	Male	Medium/Large	8.5	Deputy chief executive officer and group director of capability, transformation, and digitalization
P 7	Switzerland	Male	Small	5	A partner and CEO of Syrian associates Gambia
P 8	Uganda	Male	Large	0.5	Head of human resources
P 9	India	Female	Large	2	Senior compensation benefits partner
P 10	Australia	Female	Small	10	Founder and consultant
P 11	Brazil	Male	Large	3	Global compensation and performance manager
P 12	Europe and Middle East Asia (EMEA)	Female	Medium	22	Head of human resources

Note. ‘P’ stands for ‘participant.’

Each research question was formulated to explore how COVID-19 shaped each component of organisational reward systems. The participants were provided with a definition of each component before each component to ensure that there was common understanding before the questions were asked. There were three interview questions related to each research question. The first question sought to gauge the changes related to the relevant reward component (i.e. remuneration, well-being, benefits, development and recognition). The second interview question was linked to the first interview question and required the participants to indicate whether the changes implemented were essential. Lastly, the third interview question was also linked the first and second interview question because despite the changes implemented being deemed essential, they may or may not be considered as good changes and visa versa. The full interview guide can be found in Appendix B.

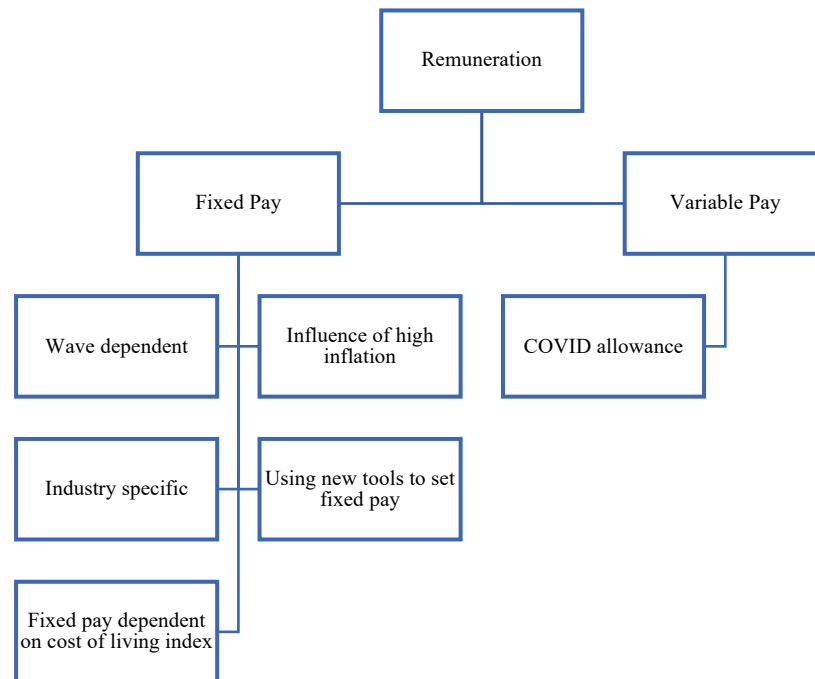
4.3. Research Question 1

Research Question 1: How has COVID-19 shaped remuneration in organisations?

The research findings show that when the COVID-19 pandemic began, globally, organisations immediately made changes to their remuneration policies irrespective of the organisational size. This finding is consistent with research conducted by Aguinis and Burgi-Tian (2021) as it was found that different sized organisations across different industries were experiencing revenue and budget reductions. Therefore, organisations had to take immediate action to preserve funds as described by Patterson (2020). Remuneration consists of both fixed pay and variable pay. The research findings indicate that there were changes to both fixed pay and variable pay as supported by Bussin and Sedlmaier (2022). Figure 4.1 illustrates the themes and subthemes for research question 1.

Figure 4.1

Themes and subthemes for research question 1



4.3.1. Fixed Pay

Fixed pay is also referred to as salary, base salary or base pay. The changes applied to fixed pay were “dynamic and fluctuating” as described by Participant 2.

4.3.1.1. Wave Dependent. During the first six months, organisations were conservative with fixed pay because their “people budget” (as described by Participant 9) was cut down. This resulted in the Indian₁ and Singaporean organisations freezing fixed pay, the Ugandan and Indian₂ organisations froze fixed pay increases, and the multinational organisation with offices across Africa cut fixed pay. However, Participant 5 indicated that fixed pay cuts were only applied to senior management/executives. Thus, the organisation “paid employees in full” but senior management, for example in South Africa, were being paid “50% of their salary” (Participant 5).

These research findings indicate that the changes implemented to fixed pay were wave dependent because during the beginning of the COVID-19 pandemic, some organisations experienced budget cuts resulting in fixed pay cuts and freezes. According to Korn Ferry (2020), fixed pay freezes were most prevalent in South America which contradicts the findings

of this research as fixed pay freezes or cuts did not occur in the Brazilian organisation. These findings are however consistent with previous research as it was found that organisations resorted to fixed pay cuts and fixed pay freeze's which employees were willing to accept due to the number of people being retrenched and the vast number of businesses shutting down due to the decrease in business activity (Markey, 2020; Patterson, 2020; Korn Ferry, 2021; Aguinis & Burgi-Tian, 2021; Bussin & Swart-Opperman, 2021; Reza et al., 2021; Slavic et al., 2021). Quite interestingly, the results indicate that within the multinational in Africa, executives and senior management experienced fixed pay cut whereas the rest of the organisation did not. Thus indicating that there were different effects in fixed pay across different job levels within the same organisation. This may be an unfair change because Patterson (2020) argues that any changes that are applied to remuneration must be applied consistently and fairly across the organisation. However, this finding is consistent with Korn Ferry's (2020) work, in which it was found that executives are the most affected by remuneration changes.

4.3.1.2. Influence of High Inflation. The findings reveal that, within the multinational organisation, senior management in high inflation countries were "exempted" from fixed pay cuts and "were being paid the same amount regardless" (Participant 5). The examples of high inflation countries provided by Participant 5 were "Angola [...], Ghana [...] also Nigeria." The organisation therefore "had to consider [...] a [...] inflationary increase" in these countries. Similarly, Participant 3 indicated that "cost of living adjustments" were provided. However, Participant 8 revealed that his organisation "didn't give a cost of living adjustment [...]" because of the impact of the pandemic and that terribly affected our staff because we've had a few of our staff leave for other organisations."

These findings indicate that some high inflation countries in Africa not make adjustments to their fixed pay structures or slightly increased their fixed pay to account for the increase in cost of living. Previous research has found that the cost of living increased more rapidly because the COVID-19 pandemic as there was a shutdown or a slowdown in economic activity resulting in high inflation rates (Cavallo, 2020). This may explain why executives in high inflation countries did not experience fixed pay cuts and further justifies why some organisations slightly increased their fixed pay. Moreover, the findings indicate that these organisations were all categorised as medium or large organisations. This finding therefore illustrates the differences between medium to large organisations and small organisations, because previous research indicates that small organisations in Nigeria had reduced fixed pay due to low revenue (Aladejebi, 2020). The findings also show that the Ugandan organisation

did not provide cost of living adjustments causing an increase in resignations. This finding is not surprising firstly because research reveals that during a crisis, organisations may defer their cost of living adjustments until the situation has stabilised (Mercer, 2022). Secondly, literature does show that increases in pay are associated with an increase in employee commitment to the organisation and a decrease in employee turnover (Hoole & Hotz, 2016). Therefore, it is not surprising that the organisation had an increase in resignations.

4.3.1.3. Industry Specific. Following the first six months of the pandemic, the effects of the pandemic on fixed pay were sector/industry specific. Multiple participants revealed that industries such as medical, pharmaceutical, automotive, education and IT have performed well. Evidence of this finding can be found in Appendix E. Whereas industries such as tourism, energy, and long-range transportation have not performed well, which ultimately “disrupted major supply chains” (Participant 7). Consistent with these findings, previous research indicates that the effects of the COVID-19 pandemic were industry specific and jobs related to food, healthcare and technology became more valuable (Korn Ferry, 2020; Eklund, 2021). Thus, past research has found that the industries that were performing well included pharmaceutical, technology, healthcare, grocery stores, cybersecurity, cleaning products and communication industries (Korn Ferry, 2020; Ogg & Lange, 2020). The present study presented two additional industries, automotive and education, that performed well – evidence of this finding can be found in Appendix E. However, past researchers have found that the automotive sector did not perform well during the COVID-19 pandemic alongside transportation, oil and gas (energy), and tourism (entertainment, restaurants, travel, hotels) which is consistent with the present research (Korn Ferry, 2020; Eklund, 2021).

The research findings indicate that industries that were performing well had experienced increases in fixed pay because organisations were either paying competitively or following a “cost of labour approach which includes understanding what does the market provide for you to be competitive in the market for a particular role” (Participant 9). In contrast to this, participants revealed that organisations that were not performing well “have typically retrenched many people or given no increases. The government had many subsidies that kept them afloat but there was very little pay” as Participant 10 describes. Therefore, organisations had to “identify their key staff and give them increases and make sure they stay because, at the moment, people are resigning to get an increase” (Participant 10). This pattern of results is consistent with previous literature that found that some industries saw an increase in fixed pay during the COVID-19 pandemic (The Pay Index, 2021). In my view, the most compelling

explanation for this finding is that during the COVID-19 pandemic certain skills became a priority, for example technology skills because individuals were working remotely. This in turn would have created an increase in demand for these skills which caused the fixed pay to increase. Moreover, Arumugam and Seng (2017) argue that if rewards are not provided, it can limit the effectiveness of skilled employees. Providing an employee an increase in fixed pay is an extrinsic reward which decreases employee turnover, assists with retaining talented employees and reinforces desirable behaviours as this allows the organisation to achieve their goals (Hoole & Hotz, 2016; Arumugam & Seng, 2017; Khan et al., 2017). Therefore, it is not surprising that employees were resigning to get an increase.

Nevertheless, one industry that was highlighted the most amongst the participants was the IT sector. Participants indicated that organisations had to pay competitively to retain their IT employees or attract perspective employees in the IT industry due to the increase in demand. This led to an exponential increase in fixed pay in this industry (evidence of this finding can be found in Appendix E). This finding is supported by previous literature as it was found that the Technology/IT sector had the highest salary increase (The Pay Index, 2021). Moreover, only Participant 9 revealed that the automotive industry performed well during COVID-19 leading to increases in fixed pay. This industry performed well because there was “an increase in demand for vehicles because the government was purchasing vehicles to reach the [...] far to reach areas in the rural areas to try and track these cases.” As previously mentioned, previous research found that the automotive industry was not performing well. Thus, it is interesting that the industry performed well in a developing country and may indicate that industries may have performed well in one country but not in the other country.

Due to certain industries performing well during COVID-19, the findings show that there was an increase in demand for specific talent but a small supply. However, Participant 4 revealed that the smaller supply in talent was also because “governments [...] had a lot of transfer payments, uh, to the citizens because of the hardship, and many of them decided that they would rather not work since they’re getting payments from the government.” In my view, this may have contributed to the increase in the unemployment rate in the USA as previous research indicates that the unemployment rate increased from 4.4% to 14.7% (Eklund, 2021). However, to accommodate the increasing demand for talent with a smaller supply, Participant 4 revealed that his organisation and his “global clients have had to increase their base salary budgets.” Thus, “in the United States [...] pre-COVID based salary budgets, were hovering somewhere around 3% and that’s been increased to about 6 or 7%, which [...] is a huge increase in the fixed expenses of organisations.”

4.3.1.4. Using New Tools to Set Fixed Pay. The COVID-19 pandemic has also changed the way fixed pay is set. The findings reveal that multinational organisations experienced difficulty in determining the correct compensation for individuals based in different countries. For example, Participant 5 would ask himself, “how do I say this is the right compensation for someone that is based in Nigeria when I’m in South Africa?” In my view, this is a valid issue because the cost of living in countries may have changed during the COVID-19 pandemic, as discussed above. However, to deal with such challenges, it was revealed that this organisation had to conduct a process of simplification. This process, as described by Participant 5, involved using the Coin tool to set a benchmark pay for employees based on the position level and market value as described in Appendix E.

4.3.1.5. Fixed Pay Dependent on Cost of Living Index. The findings show that remote working resulted in employees working in different parts of the world. As a result, some organisations began paying employees based on the cost-of-living index of the area that the employee is living in (evidence of this finding can be found in Appendix E). This finding is not surprising because previous literature has found that large organisations, for example Facebook, pay based on your location (Miller-Merrell, 2020). However, participants indicate that there are legal constraints associated with making changes to fixed pay. For example, “in more free market oriented companies, companies have a bigger degree of freedom but [...] in continental Europe, in which labour relations are regulated [...] then it’s not that easy” (Participant 7). Therefore, if organisations needed to implement changes in fixed pay, Participant 7 indicates that they “needed to negotiate either at the individual or even at the collective bargaining level [...] in which you have employee representatives or unions.”

4.3.2. Variable Pay

Participants indicated that it became difficult to measure performance because “business plans were literally destroyed because of the coronavirus, and you knew [...] that targets were not going to be achieved” even though “people were working hard” (Participant 7). This finding is consistent with previous research that found that due to the slowdown in business operations, employees were unable to reach targets that were previously achievable which resulted in organisations not having enough profits to reward the employees (Bussin & Sedlmaier, 2022). As a result, the findings indicate that variable pay was not provided to

employees. This was a common trend because Participant 5 revealed that “there was a global decision not to give merit increases.” However, Participant 7 reveals that a discretionary bonus was provided on a subjective level to “recognise the effort that people were putting into place to keep the company alive.” In my view, if an organisation had the financial means to provide a bonus, then they should have provided their key employees. However, this finding contradicts research conducted by Korn Ferry (2020) which shows that globally and industries did not make any changes to their variable pay, which inclusive of both short-term incentives and long-term incentives.

On the other hand, only Participant 4 indicated that variable pay was necessary for organisational savings during the pandemic. Instead of continuously increasing the fixed pay budget, organisations focused on variable pay which enabled them to attract and retain employees. Participant 4 revealed that organisations organised a structured cash compensation program that was focused on variable pay. Therefore, rewards are paid in a lump sum which is more financially sustainable than fixed pay. This finding is not surprising because previous research studies show that a majority of organisations were not considering making any changes to their variable pay (Korn Ferry, 2020). The findings also show that prospective employees were provided with a sign on bonus (evidence of this finding is presented in Appendix E).

Lastly, while organisations are recovering from the COVID-19 pandemic, Participant 6 revealed that they “are increasing base pay while reducing variable pay” by taking away “one month bonus [...] and converting that into base salary.”

4.3.2.1. COVID Allowance. Participant 1 revealed that a COVID allowance was introduced in his organisation. A COVID allowance can be defined as a sum of money provided to employees that “*were facing health risks*” due to the increased level of exposure to the COVID-19 virus. This was an unexpected finding, however there are news articles that corroborate that organisations in the healthcare industry provide COVID allowance for health care workers (Mkentane, 2020; Pangandaman, 2022). The amount of money received by each employee was dependent of the ‘level of risk associated with each particular employee.’ Previous research shows that people tend to select high risk jobs for a higher remuneration (Hecker, 2020). However, according to Renard and Shelton (2015), employees working in private hospitals are unhappy with their current remuneration prior to the COVID-19 pandemic. Therefore, the implementation of a COVID allowance was a fantastic idea to keep employees satisfied with the risk they were facing.

4.3.3. Were the Changes to Remuneration Essential?

9 participants found the changes to remuneration were essential. Participants revealed that the changes were essential for retaining key employees and for remaining competitive within the market because employees would move to organisations that were offering more than their organisation. Remuneration is an extrinsic reward and these are important for retaining employees (Khan et al., 2017; Bussin & Toerien, 2015). Therefore, it is important to pay competitively to avoid employees seeking other opportunities that are willing to pay more. Participant 9 found the changes essential from an employee perspective because some employees may have received salary corrections if the organisation was performing well. However, from the perspective of a remuneration practitioner, Participant 9 indicates that she is neutral because it is an ongoing process that may not change for the good or the bad. Additional evidence of these findings can be found in Appendix E.

4.3.4. Were the Changes to Remuneration Good?

7 participants found the changes implemented to remuneration as good. All participants who found the changes to remuneration good also found the changes as essential. It was revealed that changes “raised awareness about the new way of work and companies were [...] forced to become result-orientated” which made them more effective (Participant 7). Organisations also realised that they have access to a wider talent pool because “now you can recruit talent anywhere” (Participant 7). These changes also advanced the “welfare of employees, [...] improved the morale of employees and [...] increased their income” in some cases (Participant 1). More importantly, organisations “were forced to look at their strategy and look at their business results and be objective” (Participant 10). Lastly, these changes contributed to organisational savings as “operational costs decreased and productivity increased” (Participant 12).

1 participant (Participant 2) found the changes implemented to remuneration as bad. He found the changes to be essential but indicated that the changes were “neither sustainable nor [...] permanent.” 4 participants were neutral or found the changes to be both good and bad. Participant 4 revealed that these changes were good because executives began looking at their employees as humans. Meaning, they were more focused on the needs of the employees. However, this resulted in employers not demanding enough from employees. Evidence of these findings can be found in Appendix E.

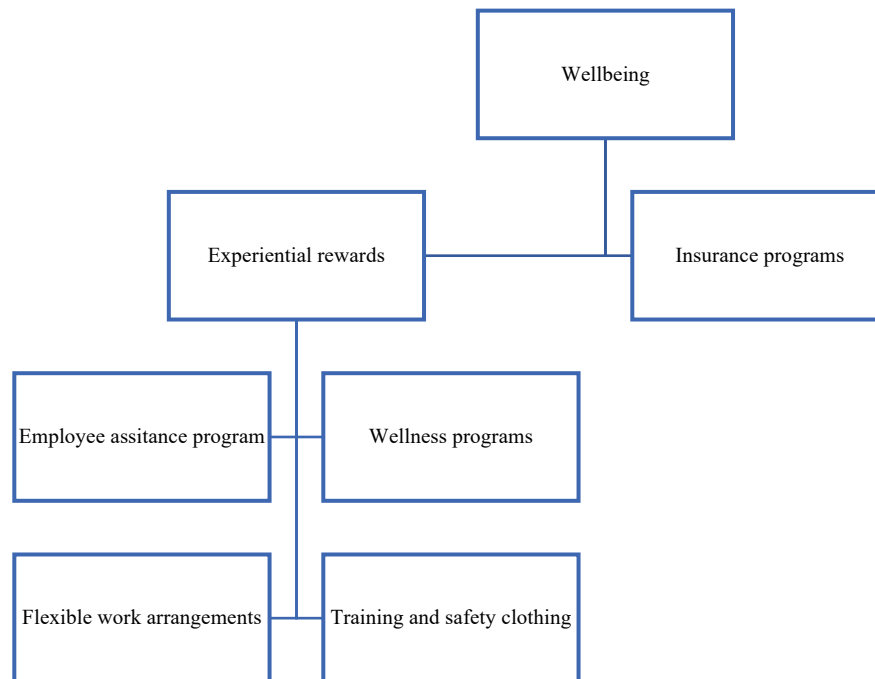
4.4. Research Question 2

Research Question 2: How has COVID-19 shaped well-being in organisations?

Previous research has found that mental health is usually disregarded during pandemics as the focus is usually on economic impacts (Ornell et al., 2020). Whereas the present study shows that all participants revealed that wellbeing, from both a mental and physical point of view, became a key focus area. Due to the implementation of a lockdown, past researchers have found that there has been an increase in stress, burnout, and working hours resulting in a work-life imbalance (Naidu, 2020; Aguinis & Burgi-Tian, 2021; Möhring et al., 2021). This consistent with this research as participants revealed that employees were experiencing increased stress levels and workload. This finding may be explained by the idea that employees were struggling with the fear of possibly contracting the virus, being confined at home, social distancing and being isolated (Núñez-Sánchez et al., 2021). As a result, organisations prioritised their employee's personal problems. As a result of this, there has been a rise in funding for well-being programs, also referred to as "mental health programs" by participant 4. This finding is not surprising as previous research, conducted by the Adecco Group (2021), found that 74% of employees felt that it was necessary to provide support to promote mental wellbeing. However, past research also indicates that organisations aimed to reduce expenses and 90% of wellbeing programs were in collaboration with their own employees (Núñez-Sánchez et al., 2021). In contrast to other organisations, Participant 7 revealed that European organisations did not do much in regard to wellbeing because they "have well developed national health systems [...]" where governments provide "good medical care or even psychological attention." The themes and subthemes for research question 2 can be found in Figure 4.2.

Figure 4.2

Themes and subthemes for research question 2



4.4.1. Experiential Rewards

Experiential rewards are rewards that go beyond a monetary transaction. These are rewards that improve the wellbeing of an employee and establishes a strong emotional connections between the employee and the organisation.

4.4.1.1. Employee Assistance Program (EAP). Participant 12 described EAPs as “a helpline where employees phone in when they have mental or other stress.” Moreover, an EAP is a support platform where organisations partner up with vendors who provide “mental health services. [...] If an employee is in distress and wants to talk about work, family, personal life or about their financial issues – they can approach this person [...] who provides guidance [...] and evaluates whether they need professional help.” Most participants revealed that EAP’s were launched in organisations. However, some participants indicated that EAP’s were well established in their organisations but were expanded. For example, Participant 12 indicates that their EAP was “enhanced with more programs to support the greater family.” Additionally, Participant 9 revealed that EAP’s were used more regularly during the COVID-19 pandemic. These findings are consistent with previous literature conducted by Veldsman and van Aarde

(2021) because there was an increased use and better utilisation of EAP's during the COVID-19 pandemic.

4.4.1.2. Wellness Programs. Participants revealed that there was an increased focus on wellness programs because it became “more important to manage mental stress, work stress, to talk about your emotions and what you're going through” (Participant 2). Participant 3 and 5 revealed that their organisations held “check-in sessions” with their employees to check-in on how the employees were coping. These sessions were conducted through phone calls or online video calls. These meetings were held to discuss how one is coping in their personal life but also allowed employers to understand the needs of the employees, for example employees requesting “data allowances because they were working from home” (Participant 3). This is consistent with previous research conducted by Korn Ferry (2021) that indicated that 15% of organisations had put these measures in place and 11% of organisations were considering putting such measures in place.

To promote physical wellness, participants revealed that health and fitness programs have been prioritised in organisations. For example, Participant 3 revealed that her organisation held online “yoga classes that were sponsored by employees.” To promote these programs, Participant 12 revealed that organisations use “strong marketing initiatives [...] to explain to the employees which services are available to them.” This is consistent with research conducted by Núñez-Sánchez et al. (2021) that found that at Mahou San Miguel physical activity programs consisting of personalised plans, live and recorded fitness classes were provided to employees. These programs were promoted using their app. Similarly, Participant 7 revealed that organisations created awareness to encourage employees to “have a healthier lifestyle, try to practice some exercise” because it is beneficial for the employees and the employers.

To promote financial wellness, Participant 3 revealed that financial planning was occurring on a more frequent basis as described in Appendix F. This is quite important because the pandemic brought about challenging times for people and it is important to be financially literate (Corporate Wellness Magazine, 2022).

4.4.1.3. Flexible Work Arrangements. In a recent report conducted by the Adecco Group (2021), it was found that 75% of employees wanted flexible work arrangements, a hybrid working model, when lockdown restrictions ease up. This finding is consistent with the present research because participants revealed that during the COVID-19 pandemic

organisations implemented flexible work arrangements to promote “a good work-life balance” (Participant 2). This was done by “restricting the working hours” (Participant 2) and “making sure employees have sufficient amount of time off” (Participant 4). Moreover, Participant 10 revealed that when lockdown restrictions were easing up, organisations implemented flexible work arrangements to ensure that “people can work from home.” This is a hybrid working model and in my view, it was an important decision to implement this as past research has found that people were suffering from depression and loneliness during the lockdown (Human Sciences Research Council, 2020). Additionally, remote working caused a decrease in collaboration and an increase in work-life imbalance (Möhring et al., 2021). Similarly, Participant 10 revealed that it is important “to bring the people back into the office, for at least part of the time, for engagement and mental wellbeing” because “it is not always good for the employee to be isolated at home.”

4.4.1.4. Training and Safety Clothing. Participant 1 revealed that training and safety clothing was provided to their frontline workers. It is not surprising that this is the only organisation that provided training to employees because it is in the health care sector and previous literature shows that only 6% of organisations globally and across all industries (Korn Ferry, 2021).

4.4.2. Insurance Programs

Participants revealed that their insurance programs were expanded to promote employee wellbeing. For example, Participant 2 revealed that their “medical insurance program” was expanded. Additionally, Participant 3 revealed that they expanded their “group life insurance to cover COVID-19” and the “HMO [...] covered COVID-19 as well” - the HMO stands for ‘Health Maintenance Organisation’. However, the group life insurance and the HMO is limited as indicated by Participant 3. Therefore, in serious cases, Participant 3 revealed that “they stepped in as an organisation to manage the risk from [their] in house health department.” Consistent with this, Participant 8 revealed that his organisation got an “onsite psychiatrist.”

Past research shows that during the COVID-19 pandemic the excess mortality rate averaged 16%, the life expectancy decreased by 0.6 years, and more than a quarter of the population was at risk of suffering from anxiety and depression (OECD, 2021). Therefore, it was quite fundamental that insurance programs were expanded.

4.4.3. Were the Changes to Wellbeing Essential?

All the participants revealed that the changes to wellbeing were essential. Participant 1 revealed that the changes “assisted in retaining [...] employees [...], enhanced employees health as well as [...] attributed to the reduction in new infections of COVID.” Participant 3 revealed that these changes “helped to show that as an organisation we cared” which promoted loyalty towards the organisation. Additionally, the changes assisted with “attracting talent [...] and reduced anxiety for a lot of people who were scared that, you know, that their health plans did not cover” COVID-19. Participant 6 and 11 also revealed that many employees were suffering from mental health problems and burnout which needed to be addressed. Similarly, Participant 10 felt that it was essential from “a humanitarian perspective” as one has “a duty of care towards employees, but secondly, a business can’t provide excellent service to customers if the employees are not mentally healthy.” Participant 7 felt that the changes were “not the most radical, fundamental life-changing thing, but [...] in order to be different as an employer and to create the right employer branding, employee wellbeing programs are very important.”

Consistent with these findings, previous research has found that wellbeing programs support the creation of sustainable, inclusive, and high-quality jobs which could allow organisations to attract talent and promote loyalty because all employees feel included (OECD, 2021). Moreover, wellbeing programs allow individuals to strengthen their mental and physical health to allow them to live fulfilled lives (OECD, 2021). This may explain the finding that there was reduced anxiety amongst employees because of the adaptation of their wellbeing programs. Organisations are unable to provide an excellent service if the employees are not mentally healthy, as Participant 10 explained.

4.4.4. Were the Changes to Wellbeing Good?

All participants felt the changes to wellbeing were also good because everyone prioritised their mental health before anything else. Evidence of these findings can be found in Appendix F.

4.5. Research Question 3

Research Question 3: How has COVID-19 shaped benefits in organisations?

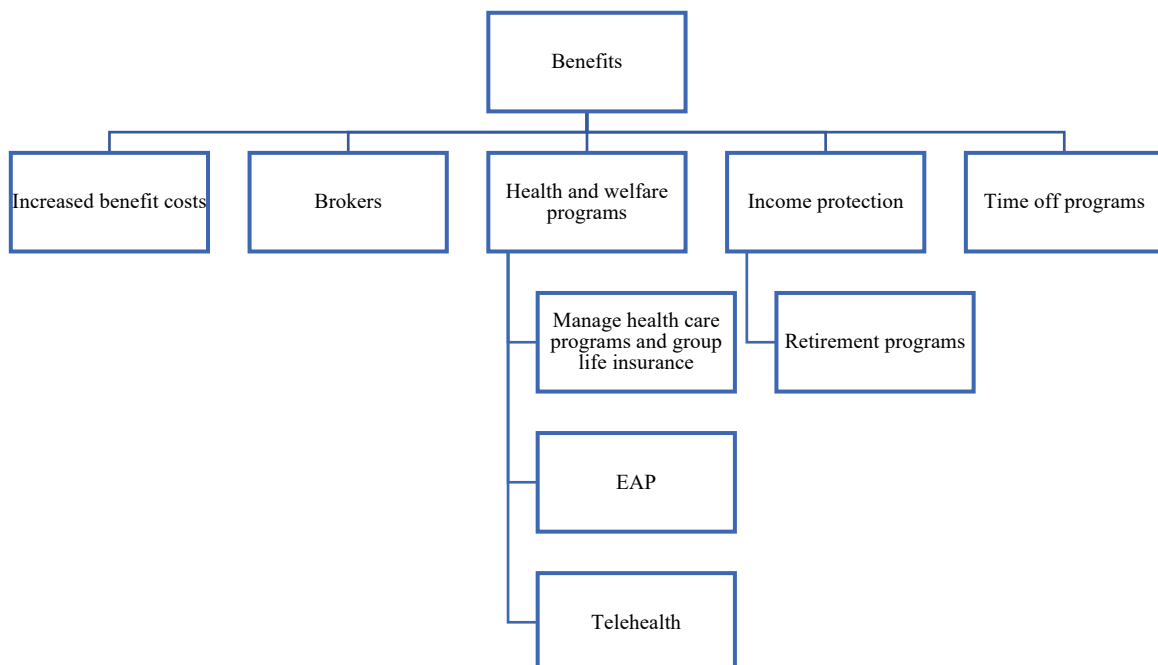
Participant 7 revealed that before the COVID-19 pandemic the overall life expectancy was increasing. In addition to this, Participant 7 revealed “that investments for benefits are normally conservative” and nowadays there are “relatively low interest rates that brought about not so high profitability of those investments.” Therefore, prior to the COVID-19 pandemic, benefits were becoming “less generous” and organisations were “relying [...] more on private schemes.” Now to understand how COVID-19 has shaped benefits “first you need to understand [...] what’s been provided by the government,” as described by Participant 7. For example, with retirement programs:

“Most Western countries have developed social security systems and people put money into that, and then when they retire, when they’re 65 years old or something, they get money from the government. But most of them, especially for middle income and above, most countries, either voluntarily or mandatory, they apply to you to have an additional pension” – Participant 7

Overall, COVID-19 has shaped benefits in different ways across organisations in different countries. Organisations either introduced new benefits, focused on long term benefits, expanded their benefits to cover more or conducted a review of their current benefits. Only Participant 2 revealed that the benefits did not change in his organisation because they are “a benefits focused company.” This is an interesting finding as most organisations made changes to their benefit programs. Figure 4.3 outlines the themes and subthemes.

Figure 4.3

Themes and subthemes for research question 3



4.5.1. Increased Benefit Costs

Participants revealed that benefit costs had increased due to COVID-19. As organisations “start concentrating on wellbeing of employees, the more they’re going to offer these programs to employees, which of course is an added expense to the organisation” (Participant 4). Moreover, Participant 9 revealed that whenever benefits are introduced or enhanced, the two big questions that the organisations asks is: “are they scalable, are they sustainable?” Therefore, in cases where employees require more than what the organisation can offer, Participant 9 reveals that they introduce a voluntary top up as described below:

“We introduce a voluntary top up where the employees are more than happy to absorb a little bit of the premium, and then they share the premium with us. And then we get, we as a group are able to provide a bigger than a larger sum insurance, but for those particular employees” – Participant 9

Nevertheless, this finding is not surprising because as organisations start focusing on the wellbeing of employees, the costs of benefits will increase.

4.5.2. Brokers

Only Participant 5 revealed that his organisation used a broker to manage the benefits to ensure that the benefits being offered to employees were relevant in the market and competitive. The interviewer probed and enquired if it was expensive hiring brokers, in which the participant responded:

“Yes, it, it is actually expensive. However, we looked at the benefits as well, because it’s all nice that we say, okay now, eh, an internal person will pay so much, we will now have lost 200 000 rands. But then we also had to look at the benefits that is accruing to the employees, that that is actually key for us” – Participant 5

This was an unexpected finding but the SHRM (2018) support this finding as it was revealed that using a broker is essential because they assist organisations with optimising their benefits.

4.5.3. Health and Welfare Programs

Participants revealed that health and welfare programs became expensive during the pandemic because organisations needed to take care of their employee's wellbeing. For example, participant 7 indicates that:

“Healthcare programs [...] suddenly became more expensive, and insurance premiums for healthcare became more expensive, simply because we needed to take care of more people and even people dying. And also other related prevention measures that you needed to put in place in the workplaces and also healthcare education programs, so that people did not get the virus” – Participant 7

This finding is not surprising because according to Aon Hewitt (2012) 60% of all organisations are likely to increase their investments in wellness programs and the COVID-19 pandemic may have exacerbated this. Interestingly, Participant 11 revealed that the medical benefits became more diverse and inclusive, “for instance we have surgeries or change of sex and hormone therapy too in our medical plan.” In my view, this is an important change because it is a direct indication of having a good organisational culture as the organisation is promoting diversity and inclusivity. In contrast to these findings, Participant 10 revealed that the Australian “government provides a very good public health care system.” Therefore, during COVID-19 organisations did not offer more health and welfare programs. However, organisations do provide voluntary private medical care and due to COVID-19 “people who were under a lot of pressure, uh, did not renew their private medical because things were too tight, but organisations have not offered more, you know, to compensate for that” (Participant 10). This finding is not surprising because the effects on health and welfare programs are dependent on what the government is offering. Moreover, due to certain governments making private health care available to all or providing good public healthcare, less people may claim from their medical aid or may want to be credited which is consistent with the research findings (Deloitte, 2020).

4.5.3.1. Manage Health Care Programs and Group Life Insurance. Participant 3 revealed that “manage health care programs” have been expanded to cover COVID-19. This finding is not surprising as because most insurance programs did not cover pandemics prior to COVID-19. Similarly, Participant 3 also revealed that the group life insurance was expanded

to include COVID-19. Initially, “loss of life during a pandemic” was excluded but has now been included.

4.5.3.2. EAP. Past research shows that EAP’s has been increasingly used because of the COVID-19 pandemic (Veldsman & van Aarde, 2021). The research findings support this finding and shows that EAP’s were introduced into some organisations and organisations that had EAP programs expanded the program to provide employees with more access. Participant 6 revealed that they “started providing employee assistance programs [...] that were paid for by the organisation.” Similarly, Participant 3’s organisation already had an EAP but revealed that the EAP has been expanded to provide employees with more access. For example, in the event that an employee needs to be placed on “mental inpatient care,” the organisation upgraded their EAP from “14 days inpatient care [...] to [...] 21 days.”

4.5.3.3. Telehealth. Participant 9 and 11 revealed that telehealth was introduced into their benefits which allows employees to access health care services on online platforms in the comfort of their homes.

A study conducted by Pillay and Barnes (2020) in South Africa found that despite mental health care services being available, many South African were unable to access these services due to fear of contracting the virus. In my view, this may be common experience across the world, especially in developing countries, which is a compelling explanation for the present finding that telehealth was introduced as a benefit

4.5.4. Income Protection

Participant 9 revealed that income protection programs are “not very popular in India.” This may be because of their culture and also because employees prefer health and welfare programs (Asinta, 2022). Therefore, COVID-19 did not shape income protection programs. However, the organisation introduced financial awareness sessions to promote employee’s financial wellbeing. The aim of these sessions is to allow employees to “start thinking about what your financial goals are, um, and also give them a perspective of what are the different instruments that are available” (Participant 9). Employees should start considering questions such as “what are my financial goals or if I have to talk about retirement offers, how do I start? Where do I start, how do I put money?” (Participant 9).

4.5.4.1. Retirement Programs. According to Deloitte (2020), consumer spending power and willingness to spend on retirement has decreased significantly which has resulted in insurers providing payment breaks to clients. The findings of this research contradict this finding as participants revealed that more focus was put on long-term benefits such as retirement. For instance, Participant 8 revealed that their retirement program is now done in “terms of being a doner funded organisation”. Meaning, this organisation has “tried to limit what people take out as cash and increase their percentage towards the provident fund, simply because we know at a point X, this money will come in, in, will come in handy for them” (Participant 8). In contrast to this, Participant 10 revealed that Australian government has legislation in terms of retirement where each employer should contribute “9.5% of the package towards retirement. That money goes into an account, you know, a defined contribution pension account, but the company has to provide it. They don’t have a choice.” In my view, concentrating on retirement programs this was an important decision because past literature has found that organisations who provide retirement programs experience lower levels of employee turnover (Bryant & Allen, 2013).

4.5.5. Time Off Programs

Participants revealed that organisations added additional leave days, for example, “family care leaves and emergency leaves” (Participant 9). Moreover, additional holidays were provided to employees. “For instance, we gave everybody Friday afternoon off during the month of December, um, that may not come back” (Participant 6). This finding is not surprising because previous research shows that organisations time off programs were actively under consideration during the pandemic as 55% of organisations were implementing or considering implement additional leave policies (Korn Ferry, 2021). In contrast to this, Participant 10 revealed that organisations in Australia did not offer additional time-off programs because the Australian government “has legislation that allows for leave” in terms of holiday leave, for caring your family and jury duty as described by Participant 10. However, organisations became more flexible in dealing with working hours. Therefore, if an employee could not work in the morning, they would be required to work until a later evening.

4.5.6. Were the Changes to Benefits Essential?

7 participants reported that the changes implemented to benefits were essential – Participant 3,5, 7, 8, 9, 10 and 11. The participants revealed that it was essential to adapt the

new situation COVID-19 created. In my view, adaptability is an essential quality to have because the world of work is constantly changing. Additionally, these changes enabled transparency between the employers and employees. These changes also allowed organisations to retain employees because employees were satisfied with the benefits being provided. Moreover, the pandemic forced organisations to prioritise benefits related to income protection. 5 participants were neutral regarding if the changes to benefits were essential – Participant 1, 2, 4, 6, 12. Participant 6 describes that “benefits didn’t make a difference in our case.” Additional evidence is located in Appendix G.

4.5.7. Were the Changes to Benefits Good?

7 participants revealed that the changes implemented to benefits were good because it showed that organisations would go above and beyond for their employees. Therefore, it supported organisations not only “from an ‘employer of choice’ point of view, but also support your employer value proposition and indicates you to be a responsible and respected employer in the market” (Participant 12). Participants revealed that employees felt cared for which strengthened the organisational culture and helped organisations retain key employees. The COVID-19 pandemic also showed employees that employers actually “walked the talk” as Participant 8 describes because organisations proved to employees that they are “important resources, even though it came at a cost” (Participant 8). There was also an increased level of transparency between the employees and employers as revealed by Participant 5. Participant 9 revealed the changes were good because of the inflationary effect as described in Appendix G. However, Participant 7 indicates that despite the changes being good, organisations question how sustainable the changes implemented will be. Only Participant 4 revealed that the changes implemented were both good and bad changes. Participant 4 who was neutral regarding if the changes were essential indicated that the changes were good because it is “the only way we can sustain a workforce if the executives reached out and help our employees financially. So this had to happen.” On the other hand, he indicates that the changes were bad because it caused organisations to spend more money benefits despite underperforming as described below:

“Well, it’s never a good change when companies have to spend more money and have less profits and less money to pay employees [...]. And you know, the ripple effect when companies are not profitable, everybody suffers governments suffer because of that too.”

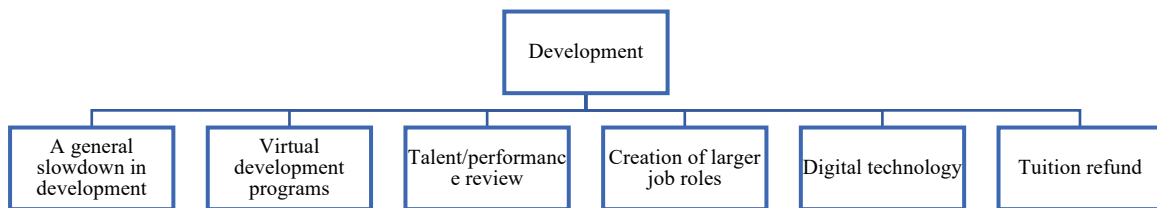
So again, not a good thing with the increase of expenses, but it had to be dealt with. So, we had to eat the costs and hopefully it'll get lesser as we go on” – Participant 4

4.6. Results for Research Question 4

Research Question 4: How has COVID-19 shaped development in organisations?

Figure 4.4

Themes and subthemes for research question 4



1.6.1. A General Slowdown in Development

Development was negatively affected in the organisations located in Singapore, Uganda and Australia due to the COVID-19 pandemic. Singapore, Uganda and Australia were negatively affected because of the COVID-19 pandemic. This is not surprising as previous research findings also reveal that there was a reduction in development (Slavić et al., 2021). Participant 6 revealed that development was affected negatively in his organisation because “it was harder to see what people were doing, [...] to send people for training, [...] to get people working in teams where others could see them and have an opinion on how they were doing. [...] It was harder for people to work in a project setting and therefore, um, network.” As a result of this there was “a slowdown in promotions [...] and a slowdown in people really feeling that we were helping them improve.” Ultimately, the organisation went “backwards.”

Consistent with this, Korn Ferry (2021) found that one of the biggest challenges that organisations were experiencing during the COVID-19 pandemic was measuring performance and ways to improve performance while remote working. Due to this, there was a slowdown in promotions and a decrease in employee satisfaction. This may have also resulted in a decline in organisational citizenship behaviour because development is important for employees to go above and beyond for the organisation (Manenzhe & Ngirande, 2021). Thus, instead of progressing the organisation regressed which is not a good position to be in.

Similarly, Participant 10 reveals that there was less focus on development because “the money just isn’t there” which is why there were “so many resignations because people had to go outside the organisation to get a higher job because there wasn’t enough growth in the organisation.” However, due to the decrease in economic activity, regardless of what industry you are in, organisations were conservative with their budgets (Aguinis & Burgi-Tian, 2021). Therefore, organisations had to save and development programs is unfortunately where they saved. Participant 10 also reveals that she did not recommend additional funding towards development for organisations which she describes as a “weakness.” This was also the case in Uganda as Participant 8 revealed that there was a slowdown in development because “as a nation [...] we’ve increased our benefits side. So [...] we’ve tried as much as possible to limit how much you’re spending on career development, which is actually impacting us as an organisation.” This has resulted in an increase in resignations which is not surprising as previous research has showed that development opportunities are important for retaining employees (Bussin & Toerien, 2015). Ultimately, Participant 7 revealed that the COVID-19 pandemic has raised a significantly more crucial question “which is how do we work in a more networked, open source, flutter and much more dynamic and technology enabled environment, which is the work of the future.”

1.6.2. Virtual Development Programs

What was consistent amongst participants is that anything related to development was conducted virtually. This is consistent with previous research findings from Chanana and Sangetta (2020) who found that organisations became inventive with their development programs as they were all conducted virtually. Some organisations revealed that the approaches to development remained the same, but they just went virtual. Others revealed that they changed the approach to development and also went virtual. Nevertheless, organisations that were running development programs held these programs on online platforms. For example,

Participant 3 revealed that prior to COVID-19, the organisation held development programs called the “one to academy.” These programs continued twice a month during the COVID-19 pandemic but were conducted virtually on online platforms. Participant 3 revealed that COVID-19 helped the organisation gain “more participants because now it was online training.” Prior to COVID-19, the organisation only allowed 30 employees to attend these classes. Therefore, COVID-19 brought great results as the sessions were recorded which meant “people could even go back to it and listen. And even though you missed it or in the event that, um, you didn’t fully understand it and reach out to the facilitators from time to time” (Participant 3).

Despite the decreased in the focus on development, Participant 6 revealed that they have “increased a lot of online learning.” Similarly, Participant 7 revealed that COVID-19 accelerated the use of online learning platforms such as “Coursera, Udemy, LinkedIn training” and social media platforms such as “YouTube and TikTok.” Consistent with this, Participant 11 revealed that they invested in a platform called “degreed” to conduct online training.

4.6.3. Talent/Performance Review

Participant 5 revealed that performance reviews were conducted differently due to COVID-19. Before COVID-19 the organisation would rate the employee on a numerical scale which “demotivated them so much so that so many employees actually left as a result of them being rated like that.” Due to COVID-19, Participant 5 reveals that the approach to performance reviews was changed as they “don’t focus on rating in terms of the numbers [...] and rating is not done at the end of the year [...] but it is done constantly.” This finding is consistent with past literature that shows that frequent performance ratings were helpful when managing talent during the COVID-19 pandemic (Aguinis & Burgi-Tian, 2021). Participant 5 also revealed that the “employee has ownership” over their own development as they are required to schedule feedback meetings with their managers, enquire if there are any areas of development and create their own development plans which has saved time. This extra time is used asking the employee questions such as: “Why do you want to do this course; Why do you want to do this to go through this other development phase? We’ve got, uh, you know, many, many learning options now that an employee can actually take, but the development is actually up to the employee.” This new approach to development is called “my performance.” Participant 5 was probed regarding what the consequences are if an employee does not take the initiative to develop. He responded indicating that the current jobs they “have will change in

the future [...] and if an employee doesn't develop then obviously in a few years' time they will be out of their jobs." Similarly, Participant 3 revealed that her organisation had a virtual talent review. "Based on their competency gaps or their behavioural gaps, we design [...] a learning approach to close all those gaps and we encourage them to close all the gaps, so we sponsor trainings, mentoring and coaching for those individuals."

4.6.4. Creation of Larger Job Roles

Participant 2 revealed that his organisations placed "more focus on retaining our key talent rather than hiring from outside" because it was difficult to hire externally, and training external employees would have been "a huge cost to the company." This finding is consistent with previous research that shows that hiring freezes were implemented throughout organisations (Korn ferry, 2021; Reza et al., 2021). Therefore, the organisation focused on "training and upskilling people internally" (Participant 2). As a result, the organisation is "now pushing people more and more to take up internal roles and to take bigger roles." Similar to this, Participant 3 revealed that when people leave the organisation, "instead of refilling their jobs [...] we collapse it into other roles and make those other roles bigger in terms of responsibilities for those that are there, based on their capacity and their skill sets

4.6.5. Digital Technology

Participant 1 revealed that they had to train employees to use digital technology because there was an increase in the use of "digital technology to minimise interface with the public." The employees needed to keep up with the "necessary IT skills so that they could be able to work in that environment." It is quite interesting that this was the only organisation that provided this type of training. However, this is important because of the huge technological change that came along with the COVID-19 pandemic.

4.6.6. Tuition Refund

Participant 3 revealed that they encouraged the employees "develop themselves professionally" and the organisation will provide a "tuition refund." However, "the only condition is that you must pass your exams. So once you pass your exams, you claim the examination and tuition and we will pay you back" as described by Participant 3.

4.6.7. Were the Changes to Development Essential?

11 participants revealed that the changes to development were essential. Only Participant 2 was neutral because there were no significant changes to development in his organisation. Nevertheless, the other participants found the changes to be essential for many different reasons. Firstly, these changes were essential as an increased number of employees had access to development programs. For example, Participant 3 indicates that the changes were essential because they were not limited as they could have “100 people in the class because it is online, it’s not limiting.” Secondly, the changes were essential for cost purposes, these changes allowed organisations to save money. For example, Participant 7 revealed that it was really essential to “to cut down on learning budgets because we had to squeeze resources from one area to another.” Similarly, Participant 10 indicates that these changes were “inevitable, they had to save somewhere and that’s where they saved.” This may not have been a bad decision because past literature has found that training and development is not always a significant determinant of employee engagement (Chiwawa & Wissink, 2021). Thirdly, these changes were essential to retain key employees. For example, Participant 9 revealed that it was essential because this is the only way to “increase the stickiness to an organisation, that’s the only way you will be an employer of choice. Compensation is not the solution for everything, there has to be other mechanisms like [...] your growth, your development.” This is consistent with previous research that shows that development is important for retention and engagement (Hewitt, 2012). Moreover, Hoole and Hotz (2016) found that solely using extrinsic rewards can lead to employees becoming greedy causing them to not to concentrate on the work itself, meaning they can be poor motivators and not sustainable. Nevertheless, Participant 12 revealed that “employees [...] grabbed this opportunity to shift their mindset from fixed to flexible and thus also allow them the opportunity to become more flexible in their roles and ability to increase their span of control. By having this, you automatically address topics of employee satisfaction and growth and thus support again retention elements.” Moreover, if organisations “don’t understand that the learning acquisition and transmission of skills in the digital economy is going to be a completely different animal ciao, ciao, you’re out of the game” as Participant 7 describes. Lastly, participant 4 revealed that organisations are now “talking more about career development, career pathing for the employees.” Additionally, executives have realised the importance of “career development, employee enrichment, job enrichment.” Executives are also trying to “structure jobs so they’re more interesting to the employees” which is essential for organisations as described in Appendix H.

4.6.7. *Were the Changes to Development Good?*

Eight participants revealed that the changes to development were good, three participants thought that the changes were bad, and one participant was neutral. All the participants who found the changes to be good thought they were also essential changes. However, the participants who thought the changes to be bad thought they were essential. Participant 2 was also neutral regarding whether the changes were good.

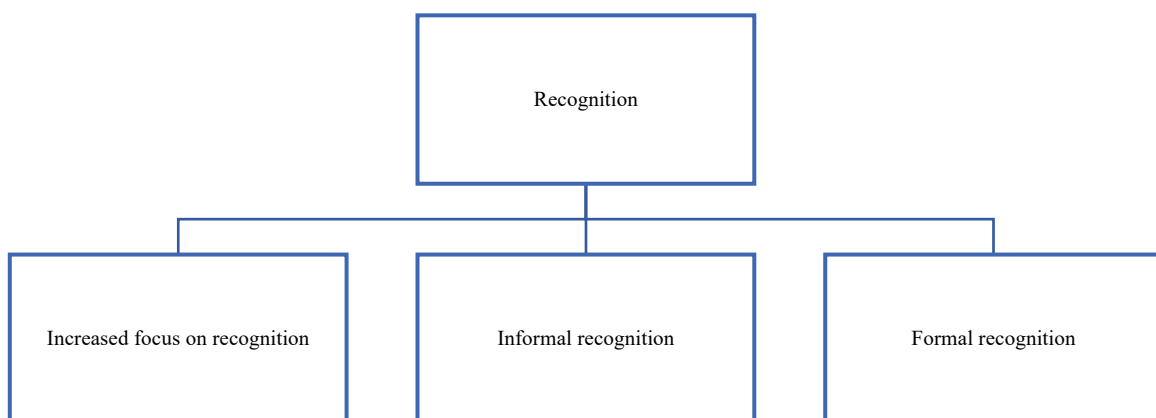
Participant 7 found the changes to be good. He raised an important point indicating that despite the changes being good, the challenge is making sure that no one gets left behind in terms of a digital divide gap. Evidence of this finding can be found in Appendix H. Nevertheless, Participants 6, 8, and 10 thought that the changes were bad because it will prevent organisations from returning to where they were prior to the COVID-19 pandemic. In addition, the COVID-19 pandemic has prevented employees from growing within the organisation because if “COVID not happened, they would have had a promotion, or they would have acquired skills, and that causes a restlessness and I think that’s our weakness going out of COVID” (Participant 10).

4.7. Results For Research Question 5

Research Question 5: How has COVID-19 shaped recognition in organisations?

Figure 4.4

Themes and subthemes for research question 5



4.7.1. Increased Focus on Recognition

Most participants indicated that recognition became increasingly important as a result of COVID-19. This increased focus on recognition has actually continued post-pandemic as found by Bussin (2022). Nevertheless, Participant 6 revealed that they did a lot of recognition because they “were very short of many other tools.” In my view, only having the ability to focus on recognition is not a negative finding because previous research shows that recognition motivates employees more than compensation and benefits (Renard & Snelgar, 2016). However, other participants revealed that due to remote working employees were taking on additional responsibilities which made it essential to recognise employees “superior performance” (Participant 4). It is not surprising that the research findings show that there was an increase in responsibilities because past research shows that employees were working for approximately an extra two or more hours per day during COVID-19 (Osborne, 2021). However, Participant 2 indicates that recognition was crucial to retaining key employees which was important as it became increasingly “difficult to hire externally” as described by Participant 2. This finding may be explained by the idea that recognition is an intrinsic reward because it is psychological in nature and is derived from engaging in challenging work and being provided with the opportunity to grow and develop within your job (Hoole & Hotz, 2016; Victor & Hoole, 2021). This in turn provides employees with motivation and job satisfaction which may explain why organisations are able to retain their key employees (Bussin & Toerien, 2015; Renard & Snelgar, 2016).

4.7.2. Informal Recognition

Sachedeva and Heffernan (2020) emphasised the importance of using informal recognition programs during the pandemic because it increases employee engagement which is important when working remotely. Therefore, it was not surprising that the current research found that there was an increase in the use of informal recognition. Sachedeva and Heffernan (2020) indicated that phone calls and emails could be used which is consistent with the current study as the findings show that organisations began using instant messaging applications, email, and social media to recognise employees because of the lack of in-person interaction due to remote working. Participants revealed that organisations began using instant messaging applications to recognise employees. It was no longer easy to walk past an employee’s desk or office to say ‘thank you’, therefore organisations had to find new ways to recognise employees. Participants also indicated that there was an increased use of email and social media to

recognise employees. The primary use of social media was to motivate other employees to perform better as described below:

“We also felt that it was not just important to recognize that particular person or team, but to let other people or teams know of this good idea or that whatever it was, these guys were doing, um, so that they could do it too. So we, we started going on social media much more than even internal communications. So we got really big on delivering stuff on social media about how people were doing things” – Participant 6

It is quite interesting that social media is being used as a recognition tool because in my view it shows how organisations are evolving with digital space. Moreover, it is a valuable tool because it creates a culture of positive reinforcement, togetherness, and a general sense of appreciation in the workplace (Nayak et al., 2020). As a result, organisations are creating an environment where all opinions are valued.

4.7.3. Formal recognition

Participant 2 and 12 revealed that their existing formal recognition tools were utilised better so no changes were implemented. This pattern of results is consistent with previous research as Kaushik and Guleria (2020) emphasised the importance of stepping up recognition programs during the COVID-19 pandemic. Additionally, some participants revealed that the approach to recognition was changed because their formal recognition events were hosted on video conferencing applications, as opposed to in person as described below:

“Before Covid-19, we were able to have, what we call, one idea events, where our staff came together [...]. We were able to recognise [...] different performance and all this, but during the two years of the pandemic, we weren't able to meet face-to-face. So we [...] had these virtually” – Participant 8

This finding is not surprising as the world of work had moved online due to the lockdown restrictions.

Lastly, participants indicate that there was change in the type of monetary rewards provided to employees. Prior to Covid-19, employees would receive dinner vouchers or “movie vouchers” as described by Participant 6, and which is also consistent with what is described by

Cornell University (2020). However, the pandemic forced organisations to be innovative with the type of awards that were being provided to employees. Therefore, organisations were providing employees with grocery vouchers or food delivery vouchers. In my view, this is a thoughtful gesture because it may have alleviated financial stress that employees were facing.

4.7.4. Were the Changes to Recognition Essential?

Nine participants revealed that the changes to recognition were essential to their organisation. Participants revealed that these changes were essential in terms of increasing employee morale but also in terms of motivating and retaining employees. Additional evidence can be found in Appendix I. Two participants were neutral and one participant did not find the changes essential but thought they were important as described below:

“It is true that recognition has adapted to a new times. Another thing that we see is that we use more [...] ID tools to deliver that, so you can have immediate feedback. [...] So it’s maybe not essential, but definitively an important one in order to round up the total rewards proposition” – Participant 7

4.7.4.1. Employee Retention and Motivation. Participants revealed that the changes were essential in motivating and retaining key employees. For example, Participant 2 revealed that “recognition [...] forms the backbone of pushing your top performers to work better,” therefore these changes motivated key employees to perform at a higher standard. Moreover, Participant 5 indicated that they discovered through exit interviews that employees did not feel recognised by their managers, therefore these changes were essential in “terms of retention.” This finding is not surprising because employees were working longer hours (Osborne, 2021). Therefore, if employees were not recognised for this extra work, they would be psychologically distressed but this increased focus on recognition increased employee engagement (Nayak et al., 2020; Sachedeva & Heffernan, 2020). Ultimately, recognition is an intrinsic reward and previous literature has found that intrinsic rewards satisfy an employee’s intellectual demands which enhances their talents and strengthens relationships in the workplace (Victor & Hoole, 2021). This finding explains why employees will perform at a higher standard.

4.7.5. Were the Changes to Recognition Good?

11 participants indicated that the changes to recognition were good. Kaushik and Guleria (2020) show that there is no better time than during the COVID-19 pandemic to show gratitude to employees. This was corroborated in this study as participants reveal that recognition is an intrinsic motivator and has “a lot more pros than cons” in comparison to compensation and benefits (Participant 4). As a result, these changes brought positive results to organisations as described by Participant 12:

“It brought higher awareness to people managers on the importance of continuous dialogue with their employees and showing appreciation “on the spot” and not 12 months later when you are reviewing salaries for an increase round” – Participant 12

Moreover, these changes assisted with retaining key employees as there was a general sense of appreciation from the organisation. Employees were motivated to perform well in order to receive recognition, and there is a wider range of recognition tools that could be used. However, one participant indicates that there is still room for improvement in terms of developing “more tools to work with intrinsic motivators” (Participant 11). This finding is not surprising as no program is ever perfect and there is always room for improvement.

4.8. Study Limitations

The study limitations are associated with qualitative research approach. Firstly, the findings cannot be generalisable to the wider population. Secondly, the researcher forms an integral part during the research process, therefore it is difficult to maintain objectivity. Lastly, the researcher plays an active role in extracting themes from the data and this may lead to researcher bias.

There are also limitations specific to this research. Firstly, in relation to the literature review, there is limited research pertaining to how COVID-19 has shaped reward systems. There is an abundance of research on reward systems prior to COVID-19 but there is a knowledge gap pertaining to how this was shaped during COVID-19. Therefore, this study aimed to fill these knowledge gaps and provide an in depth overview of how each reward component was affected during the COVID-19 pandemic. Secondly, in relation to the empirical study, the sample consisted of 12 participants, each from different countries with India as an exception. Despite, the sample size being sufficient, the findings are non-generalisable.

Additionally, the researcher did not ask participants what sector they belonged in and, as described throughout the research, the effects were sector specific.

4.9. Study Implications

A reward system is the focal point for the Human Resources Department. In Organisational Psychology, it is well known that a well-designed reward system will positively influence an employee's attitude and behaviour regarding the job requirements if the rewards being offered satisfy their needs and assist them in achieving their personal goals (Salman & Olawale, 2021). Reward systems are also implemented to enhance high performance and motivation amongst employees (Khoiruddin et al., 2018). In addition to this, reward systems are used to attract and retain talented employees and generate positive employee behaviour such as productivity (Kwon & Hein, 2013; Serhan et al., 2021; Salman and Olawale, 2021). Therefore, effective reward management is crucial for the success of an organisation.

Crises in the business world are inevitable but no one could have predicted the impact that the COVID-19 pandemic would have on business activity and the economy. This has in turn disrupted the traditional approach to reward systems. This has become a challenge for total reward administrators as they were not fully equipped to deal with crises such as the COVID-19 pandemic. Despite this challenge, the COVID-19 pandemic has provided organisations and total reward administrators with an opportunity to restructure their reward systems. Therefore, one implication for total reward administrators is to adopt a more flexible approach to their reward systems. This approach should indicate the organisations plan of action in times of a crisis which should be openly communicated with the employees. With that being said, total reward administrators should promote more open and transparent communication with employees because uncertainty creates anxiety amongst employees. Additionally, this would build trust amongst employees and management.

Most organisations are going to implement a hybrid approach to working where employees will be able to work remotely and work in the office. Therefore, total reward administrators need to be more focused on employee engagement especially if employees are going to continue working from home. Organisational psychologists can assist these total reward administrators by helping them understand the dynamics of virtual work environments, offer guidance on maintaining engagement, and contribute to the design of rewards tailored to the specific needs of remote employees. Lastly, total reward administrators need to be more disciplined about cost management. Organisations should not be overspending on total rewards

but should ensure that they are providing employees the best rewards. It is quite essential that the rewards being provided are sustainable.

4.10. Directions For Future Research

Using the findings of this research, firstly, future studies could consider conducting a qualitative study with a larger sample. This would allow generalisability. Secondly, future studies could investigate how COVID-19 has shaped organisational reward systems across different industries. Using this, a global comparative study could be done comparing the changes across different industries. Lastly, future studies could investigate the permanent changes in organisational reward systems post-COVID-19.

Chapter 5: Conclusion

The purpose of this study was to investigate the international effect of COVID-19 on reward systems using the WorldatWork total rewards model as the theoretical framework. This study found that the COVID-19 pandemic has shaped rewards systems globally. Regarding remuneration, the study show that COVID-19 shaped both fixed pay and variable pay. Regarding well-being, the study showed that due to the COVID-19 pandemic, there was an overall increased focus on wellbeing programs. Regarding benefits, the study showed that COVID-19 shaped benefits in different ways across different organisations in different countries. There was an increase in benefit costs, health and welfare programs were expanded, income protection programs became more important and time off programs became more flexible. Regarding development, the study showed that there was an overall decline in development but anything related to development was conducted virtually. Regarding recognition, the study showed that due to the COVID-19 pandemic, recognition became very important in organisations because employees were working overtime. There was an increase in the use of informal recognition tools whilst formal recognition programs were conducted online.

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Appendix A – Letter of Invitation

Dear (name of participant)

I hope you are well. My name is Lusanda Klaas. I am currently a student at the University of Cape Town and completing my research in partial fulfilment of a master's degree in Industrial/Organisational Psychology. I invite you to participate in this research which has been approved by the Commerce Faculty Ethics in Research Committee at the University of Cape Town.

My research is titled - **AN EXPLORATION INTO THE EFFECT OF COVID-19 ON REWARD SYSTEMS: A MULTIPLE CASE STUDY.**

Although this is the main research question, the following five questions are the supporting research questions: 1. What is the impact of COVID-19 compensation? 2. What is the impact of COVID-19 on well-being? 3. What is the impact of COVID-19 on benefits? 4. What is the impact of COVID-19 on development? 5. What is the impact of COVID-19 on recognition? I will also enquire if the changes implemented were good and essential. Therefore, the questions asked in the interview will be based on these supporting research questions. You do not need to prepare for the interview, your honest views based on your personal experiences will be appreciated.

Your participation will be **confidential**, and the data collected will be used for research purposes. Any direct quotations will be made anonymous. With your permission, the interview will be recorded so that all information is captured accurately. The only personal information that will be recorded will be your job title and how long you have been working in that job (I do not need to know which company you work for).

I have attached a consent form. May I kindly request that you sign and return the consent form to me. The university’s policy is for us to obtain a signed consent form prior to conducting an interview.

The time commitment that I am requesting from you is about 30 – 45 minutes (maximum). I can set aside time based on your availability. However, I will also propose the following options for the interview. Please advise if these options would work for you:

Date	Time (SAST)	Date	Time (SAST)
Monday (27 June 2022)	17:00 – 17:45	Thursday (30 June 2022)	17:00 – 17:45
	18:00 – 18:45		18:00 – 18:45
	19:00 – 19:45		19:00 – 19:45
Tuesday (28 June 2022)	17:00 – 17:45	Friday (1 July 2022)	17:00 – 17:45
	18:00 – 18:45		18:00 – 18:45
	19:00 – 19:45		19:00 – 19:45
Wednesday (29 June 2022)	17:00 – 17:45	Monday (4 July 2022)	17:00 – 17:45
	18:00 – 18:45		18:00 – 18:45
	19:00 – 19:45		19:00 – 19:45

If you would prefer any other time outside these proposed times, please let me know. I will send a Teams/Zoom meeting request following your confirmation. Please feel free to call or email me or my supervisor if you have questions or seek further clarity. I will also attach the interview questions to give you time to think about what changes were made before we meet. Many thanks for your assistance on this research.

Researcher: Lusanda Klaas
 Email: lusklaas@gmail.com

Research Supervisor: Professor Mark Bussin
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Mobile number: +27 79 438 9437

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Kind regards,
Lusanda Klaas

Appendix B – Interview Guide

Introduction

Hello, my name is Lusanda Klaas and I am currently studying towards a master's in organisational psychology at the University of Cape Town. My research is titled an exploration into the effects of COVID-19 on reward systems. The purpose of this study is to explore the effect of COVID-19 on reward systems. The nature of the interview is exploratory and

therefore you are free to speak as much as possible. You are assured that all information shared in this interview will be confidential.

The interview will be about 30 to 45 minutes. You have provided the signed consent form before the interview. However, could you please verbally confirm that you are giving me permission to record the interview.

The interview consists of a few questions and follow up questions that may arise from the conversation.

Interview Questions

- a) What is your current job title?
- b) How long have you been working with your current organisation?
- c) Would you describe your organisation as small, medium, or large?
 - a. Small – under 100 employees
 - b. Medium – over 100 employees to under 1000 employees
 - c. Large – over 1000 employees

Research question 1: What is the impact of COVID-19 on compensation?

The next few questions are about compensation. Compensation refers to the pay provided to employees by employers for services rendered (e.g., time, effort, skill) in the organization. This includes both fixed and variable pay.

- d) How has COVID-19 affected your organisations approach to compensation?
- e) Can you explain if the change to compensation was essential?
- f) In your opinion, do you think that this was a good change?

Research question 2: What is the impact of COVID-19 on well-being?

The next few questions are about well-being. Well-being in this context is ensuring that the employees are comfortable, happy, productive, and healthy considering the external factors such as, mental, financial and the environment. Professionals who administer total rewards influence employee's well-being by developing programs that support employee success inside and outside the workplace. Knowing this...

- g) How has COVID-19 affected your organisations approach to well-being?
- h) Can you explain if the change to well-being was essential?
- i) In your opinion, do you think that this was a good change?

Research question 3: What is the impact of COVID-19 on benefits?

The next few questions are about benefits. Benefits are programs focused on health and welfare, income protection, financial preparedness, retirement and time off including leaves of absence, which is aimed to provide holistic well-being and security for the employees and their families. Knowing this...

- j) How has COVID-19 affected your organisations approach to benefits?
- k) Can you explain if the change to benefits was essential?
- l) In your opinion, do you think that this was a good change?

Research question 4: What is the impact of COVID-19 on development?

The next few questions are about development. In this context, development refers to the rewards and opportunities provided to employees to advance their skills in their skills, competencies, responsibilities and contributions – in both their short- and long-term careers.

- m) How has COVID-19 affected your organisations approach to development?
- n) Can you explain if the change to development was essential?
- o) In your opinion, do you think that this was a good change?

Research question 5: What is the impact of COVID-19 on recognition?

The next few questions are about recognition. In this context, recognition refers to formal or informal programs that are put in place to thank, validate, recognize, and celebrate employee contributions while aligning and strengthening organizational culture.

- p) How has COVID-19 affected your organisations approach to recognition?
- q) Can you explain if the change to recognition was essential?
- r) In your opinion, do you think that this was a good change?

Appendix C – Ethical Clearance



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UCT Commerce Faculty Office

16 06 2022

Lusanda Klaas
School of Management Studies
University of Cape Town
REF: REC 2022/06/016

An exploration into the effects of COVID-19 on reward systems: A multiple case study

We are pleased to inform you that your ethics application has been approved. Unless otherwise specified this ethical clearance is valid until 31-Dec-2023 .

Your clearance may be renewed upon application.

Please be aware that you need to notify the Ethics Committee immediately should any aspect of your study regarding the engagement with participants as approved in this application, change. This may include aspects such as changes to the research design, questionnaires, or choice of participants.

The ongoing ethical conduct throughout the duration of the study remains the responsibility of the principal investigator.

We wish you well for your research.

2022.06.16
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Appendix D – Informed Consent



Dear Participant

My name is Lusanda Klaas. I am currently a student at the University of Cape Town and completing my research in partial fulfilment of a master's degree in Industrial/Organisational Psychology. The research has been approved by the Commerce Faculty Ethics in Research Committee at the University of Cape Town.

I am conducting research to understand how COVID-19 has affected the individual components of a reward system namely, compensation (remuneration), well-being, benefits, development, and recognition. Our interview is expected to last about 30 minutes to 45 minutes (maximum).

Your participation is voluntary, and you can withdraw at any time without penalty. The relevant data will be destroyed should you choose to withdraw from the research study.

With your consent, the interview will be recorded to ensure that no information is missed. All information provided will be kept confidential and all data will be reported without identifiers. The results of the research will be reported in such a way that it will not be possible for people to know that you took part in the study. If you have any concerns or additional questions, please contact me or my supervisor. Our contact details are provided below:

Researcher: Lusanda Klaas

Email: lusklaas@icloud.com

Mobile number: +27 79 438 9437

Research Supervisor: Professor Mark Bussin

Email: drbussin@mweb.co.za

Mobile number: +27 82 901 0055

Signature of participant: _____

Date: _____

Signature of researcher: _____

Date: _____

Appendix E – Table of Evidence for Research Question 1

Theme	Subtheme	Extracts from Participants	
Fixed pay	Industry specific	<p><i>“It has acted differently on different sectors, right? So for example, uh, energy sector has not, COVID has not been very kind on energy sector. So we have been hit a bit, but at the same time, the tech sector, the IT sector has gone really up because we are seeing more and more work from home, more, uh, software systems coming up. So definitely compensation has increased there” – Participant 2</i></p> <p><i>“Many of our organizations actually, uh, increased salary during the pandemic. Particularly, um, both the education sector and the health sector, which put a big competitive strain on us” – Participant 6</i></p> <p><i>“Industries such as entertainment or sports at certain moment, were blocked completely, completely. And eh, then for example, long haul or long, long range transportation was, was completely blocked. That meant that a global supply chains were disrupted, not to mention the change in consumption habits and scarcity of sourcing for raw materials. So that meant that many industries were really, really affected” – Participant 7</i></p> <p><i>“There are sectors that have done really well. So medical and pharmaceutical and technology have done really well. And many of the other sectors like tourism, um, have done really, really poorly” – Participant 10</i></p> <p><i>“Predominantly it’s IT sector where a lot of business from the Western world came down to India because, you know, everybody wanted to outsource us. Everybody wanted to move to low-cost countries to ensure that their, uh, bottom line remains high. A lot of jobs came here, and the compensation actually shot up tremendously, instead of going down. [...] The compensation actually increased pretty much by almost, I would say, uh, by a range of 50 to a hundred percent within a span of six months. [...] So, one of our biggest challenges then was to retain the tech sector guys because uh their compensation shot up uh in the industry and they were finding like two to three jobs everywhere” - Participant 2</i></p>	
		Using new tools to set fixed pay	<p><i>“Simplification meant that we had to use, um, certain tools where within the tool, we can make sure that there’s a benchmark pay employee. [...] It’s magnificent [...] because you can actually rate an employee or the manager can rate an employee based on the position level and then also based on the market, as to what is the value of the employee for that particular function in the market” – Participant 5</i></p>
		Fixed pay dependent on cost of living index	<p><i>“So in order to determine the degree of competitiveness of your compensation and the applicable labour market, then many companies had a big debate. And in that sense, there was no easy solution. Eh, a big debate was also in, in, as we know in the United States, in which, eh, especially the large IT companies, your large players in Silicon valley, your Amazon, your Netflix, and all of those that where we’re seeing a lot of</i></p>

Variable pay

compensation inflation, even during coronavirus times, they said, okay, I'm not going to pay you San Francisco compensation levels anymore. Especially if you're sitting at home in the state of Nebraska, or if you're sitting in Mexico, which is a much cheaper labour market. So multinational companies had to decide what to do, especially in combination with, eh, work from home arrangements” – Participant 7

“Instead of lumping more money into fixed expenses, use variable pay instead. So, if you want to attract the best and the brightest, give them a sign-on bonus, a lump sum. Also try to organize a structured total cash compensation program with more concentration on variability. So, if specific organisational and employee goals are met, uh, the reward is paid in lump sum, which [...] is a one-time hit to the financial statement. It doesn't have the compounding effect of giving base salary increases year after year. So based on this and those clients that have followed my advice are finding a savings in their overall salary costs to the organization, and they're still able to attract and retain and motivate, um, the best and the brightest” - Participant 4

Were the changes essential?

“Yes, it was essential because given the risk that employees were facing, some employees, um, were even opting to stop coming to work in. Actually, it became more like a trend in the market because there were other organisations that were paying the covid allowance. So, if you then don't pay your employees COVID allowance, you lose employees. They would go to organizations that were paying, um, COVID allowance. So, uh, basically the introduction was essential because it was also a way for retaining employees and also improving the moral of the employees who were there to work” –

Participant 1

“As a com practitioner, I would say [...] it is a ongoing process. It's, it's not something uh which is changing something for the good or bad. Uh, it's a way of operating. So, I'm neutral. If you ask me as an employee, it's good because there's a lot of salary corrections that happen to a lot of employees right. In a good way. [...] Some of them did not see a salary increase, some of them had to take pickets or some of them lost their jobs. If you look at it from their perspective, it's good in the sense that they were able to pick up what they lost in the previous year. So, it's a double-edged sword” –

Participant 9

Were the changes good?

“It raised awareness about the new ways of work. [...] Companies were forced a little bit to, to work more by projects and by objectives, for example, instead of having endless, endless meetings face to face, it is true that in order to make sure that that online world was working, we needed to be more result-oriented and more effective. So, in that sense, I think that the compensation changes are good ones and also the raising the discussion that we are all in a broader labour market than we thought, because you can, now you can recruit talent anywhere, which is start another advantage” – Participant 7

“Yes. In terms of advancing, um, the welfare of employees, [...] it improved the morale of employees and also it also increased their income. [...] You see, during this time

people were facing, uh, different challenges. So, um, whenever a person becomes sick, they would obviously need more money. So, it also improved employee income during the, during those days” – Participant 1

“Yes. I think organizations were forced to look at their strategy and look at their business results and be objective. There was much more objectivity, less favouritism, less if I can say reckless increases that weren’t well distributed. So, I think that the internal focus was good for organizations and they’re looking at fundamentals now, which is good” – Participant 10

“Yes, as it might be seen as an increased cost on the one hand, your savings as an organisation on operational costs decreased and productivity increased” – Participant 12

“I feel that this is very dynamic and it’s not going to be very stable because this was more of a spike that came in because of COVID. Right. So, it’s neither sustainable nor, uh, I would say, is it, uh, going to be permanent. [...] So personally, I feel this was not the best thing to happen from a compensation perspective” – Participant 2

“I see the positive out of this where executives are more in tune to the needs of their employees now. COVID has really forced executives to look inward into the organization and start to deal with employees as human beings and not just as worker bees and adding a lot more to the total reward strategy that address those issues. The downside is [...] that even though employers are concentrating more on employees, they’re not demanding enough from the employees in getting their work done. I see a lot of superficiality out there from both the executive and the employee point of views” – Participant 4

Theme	Subtheme	Extract From Participants
Experiential rewards	Wellness programs	<p>“We had an employee targeted [...] check-in session where employees just checking on one another. Um it’s usually headed by the HR team just to check in phone calls [...] and in part of those sessions, we caught feedback on the need to increase, uh, data allowances because of course people were working from home. [...] Some people had issues with our work tools [...] so we needed to get our IT upgraded, such that they could remotely work on people’s system. They could send, um, work tools to people’s homes so that people could actually use, uh, you have access to work tools in good time” – Participant 3</p> <p>“We encourage managers to [...] just to do those check-in meetings. Now check in meetings means you don’t talk about the business. You let the employees talk about how they feel, you know, [...] and where can we help each other. And then let’s look at each other and know, have a video with the employees” – Participant 5</p> <p>“We’ve been doing [...] financial planning as well from an estate planning point of view because COVID shocked the world. [...] And, um, it brought to the limelight, the need to have a proper estate planning to have, a kind of like, a wish list, you know, in the event of the unforeseen event where you’re incapacitated or there’s loss of life” – Participant 3</p>
Were changes essential?	the	<p>“In our country when you see also high statistics of mental illness issues. We see, um, a number of people actually even committing suicide. It was really essential to sit with people, to ask them what is bothering you? You know, look at them and say, is there anything that is actually bothering you. And it really means a lot because it shows that we care. But then also, we are also agile, you know? So that’s another value that we have. We are agile. We’re flexible because if you’re not feeling well, or you say, um, uh, you, you going to be absent for three days. Another colleague can then support you during that period because we are agile, we got that flexibility, you don’t have to drop your meetings. And other colleague will actually attend the meetings on your behalf. And then we care, which is really key” – Participant 5</p> <p>“You discover that sometimes, especially for certain jobs or certain hot skills, for example, a life sciences, or for example, in IT or advanced software engineer, with the classic compensation and benefits proposal, you’re not going to make it. It’s not enough. So, do you need to offer something which is more internal? In that sense, wellbeing programs can become a significant difference for companies who really want to do the best and it doesn’t have to cost additional money. It’s more about what is the right blend of the total rewards offering that you’re laying on the table so that you can attract the best people that you need” – Participant 7</p>

“It was very, it was essential because, um, we, we could see now, so, [...] because I was also in the hospital sector, I’ll explain what I was seeing was in hospital sector as well. We could see quite a lot of patients with mental issues being checked in almost every other day. Okay. Um, in fact, in fact, while I was still at the international medical group, I had two medical doctors actually who I had to check in as well, because they, they, they really went nuts. So, it was really an essential change that we needed to look at mental health. And, uh, I also start talking about it within organisations. We could see a lot of support was geared towards, you know, the mental wellbeing of all our staff” – Participant 8

“Of course, because things were not going too well. Right. I think, uh, it was required. Um, and most of it was reactive. Now, now there is a flip people are started becoming a little more proactive about their health, um, especially because they are shutting doors. Uh, now there is an opportunity to get out there, you see the utilization in the office gym go up. [...]and also people are comfortable speaking about mental health. [...] The biggest issue with mental health was the taboo that was associated with it. Um [...] a lot of Asian cultures, people think it’s not a big deal. You, you just get over it and move on. You know, you don’t speak about it. You don’t treat it, you don’t, um, do anything to it, but then now people have started appreciating, okay, this is an important aspect we need to address it. So that’s also a good, um, outcome of the pandemic. Yeah” – Participant 9

“It was indeed essential. Mentally people were used to going to the office, engaging with different people on different topics by simply walking from one meeting room to the next [...] and all of a sudden, people are forced to sit between four walls and see the same people from early morning to the next early morning, day in and day out, without the option to be out and about. A simple topic like traffic, which is the nightmare to many, is a way for the brain to get to a normalised stage again after a full day in the office and allow process time. With being at home 24/7 meant that there was no more process time and people got lost in translation on when to start and when to stop work” – Participant 12

Were the changes to wellbeing good?

“It’s not all good, it’s not all bad, but you got to look for the silver lining and all of these devastating events. Otherwise, what’s the point? We stay at home, and we draw the shades and lock the doors and then we just crawl up and die. You know, that’s not an option for any of us around the world. So, finding the positive, like you’ve mentioned also gives us a springboard for going forward. And the more positive we are, the more productive we’re going to be” – Participant 4

Appendix G - Table of Evidence for Research Question 3

Theme	Subtheme	Extract From the Participant
Health and welfare Programs	Telehealth	<p><i>“Telehealth, for example, uh, was not something which was very common in the insurance coverages. So, we brought that in, um, before the employees could access their health care systems from anywhere using telehealth” – Participant 9</i></p> <p><i>“In medical plan for instance, we had that tele service to have medicals that would talk with our employees at home and help them in many situations and we maintain not as an active service, that how it was in the past, but we maintain that kind of service nowadays. So it help us to improve in our benefits a lot” – Participant 11</i></p>
Time off programs		<p><i>“What COVID has proven is, is, um, more flexibility in terms of, of working from home and, uh, blurring between personal days leave and working from home more than before. So Australia has legislation that allows for, uh, leave, you know, like holiday and for, uh, caring, you know, caring for, for your family and, and, you know, uh, jury duty and all of those. So organisations didn’t offer more benefits, you know, more leave or more time away, but they have become more flexible in dealing with hours. You know, so if someone has to take care of the children morning now, for whatever reason, then they worked late afternoon and evening. So more flexibility” – Participant 10</i></p>
Were the changes to benefits essential?		<p><i>“So, get someone else to challenge us [...] and then make sure that [...] they make such recommendations that will actually be liked by our employees because at the end of the day, erm, we retained employees, eh, by making sure that we’ve got transparent structures, so whatever we do also, needed to be transparent and that there is also communication with the employees” – Participant 5</i></p> <p><i>“Yes. I think it’s good that Australia maintains the level of benefits. Um, they can’t really get out of much of it, you know, because it’s legislation and I think the focus on flexibility and what a family needs, um, you know, that wider focus on family I think is excellent. That’ll stay I’m sure” – Participant 10</i></p> <p><i>“Some of the changes are still in process of being changed to align, not only to better market conditions, but also to furthermore support our employees. When health insurance is key in a country with high costs to health support and services and simultaneously dealing with a deadly virus, one must ask oneself if you are a ‘responsible employer’. Furthermore, topics pertaining to income protection shifts right to the top of the priority list and insurance for dreaded diseases vs what one offers as an employer comes to consideration” – Participant 12</i></p>
Were the changes to benefits good?		<p><i>“Indeed, as it not only supports you from an ‘employer of choice’ point of view, but also support your employer value proposition and indicates you to be a responsible and respected employer in the market. Furthermore, enables staff retention and employee well-being as it is less matters for our employees to worry about” – Participant 12</i></p>

“Yeah, it was good. It really showed, you know, care and it bought us goodwill. [...] Employees felt really cared for [...]. In my opinion it made us closer to employees. It made management closer to because we’re very relatable. And they realised that, you know, at the end of the day, yes, we are profit making organisation, but our greatest assets and are you guys are the other people that we have over as you are as strong as the people that you have that work with you. [...] It’s not only helped us retain on being loyal for the people that are around. It helps us retain people because, you know, good news spread fast” – Participant 3

“Yes, for us it is a good change because then, as an employer, then you are creating, um, you know this support structure around your employees. And why do we say, why do I think it was a good change is, uh, COVID tested us to see which employer has really walked the talk okay. So, most of the time it was easy to see our employees as our greatest assets, but then when it came to the first lockdown in Uganda also, there was employers that were rushing to lay off staff, and then you had no backup plan. So it was a necessary, uh, an essential, uh, change for us to prove to our staff that we are, we walk the talk in terms of them as our important resource, even though it came at a cost” – Participant 8

“Yes. It was a good change in the, uh, in my opinion, and more so, from a transparency point of view, because with you having a third party, they are actually easy to compare reports and then make sure that they’ve got as many, you know, communication channels as possible for the employees. But if at all you only have one or two employees looking after benefits, it’s difficult for them to communicate to each and every employee in the organisation” – Participant 5

“Yeah, it is. Yeah. It was important and I think it’s a good, good one. Um, it is important because, um, the inflationary effect, to an extent, we will be able to absorb some of these economic effects, right. If there is a slowdown, um, even if you have lost your job, you will still be able to sustain the next six months, uh, if you’ve planned financially, right. If you created that emergency Corpus, um, even if you want to take an early retirement, especially the kind of careers that we have with the very intense working styles, if you do want to go retire early you will be able to do that. So, some of these things that are important, they’re good” – Participant 9

Appendix H - Table of Evidence for Research Question 4

Theme	Extract from Participants
Were the changes to development essential?	<i>“This is beneficial for the company, because when you ‘grow your own’ [...] then you train the employees in your culture of the organisation and that’s how you bond with your workforce. I tell my clients this all the time [...] if we don’t concentrate on developing the cultural mindset of our employees, we’re going to lose them in this virtual environment since we’re not physically present anymore. Because when human beings are together, we develop a commonality, a group think, and we understand what the culture is, and we manifest that culture. So that’s more important now in the virtual environment” – Participant 4</i>
Were the changes to development good?	<i>“We need to make sure that nobody’s left behind. That’s a problem, and then that will be a collaboration between companies and also governments to make sure that, that people are up to speed because if not people will, we lose opportunities. And then it’s true that [...] in the worst case scenario, it could happen that we are creating a big digital, digital divide gap in which we will have an elite of really rich people, technology people, uh, people who are into the decision-making and then a bunch of people who are out of the game and they do not have access to, to, to the, to the world of the future. But that requires education” – Participant 7</i>

Appendix I - Table of Evidence for Research Question 5

Theme	Extract from Participants
Were the changes to recognition essential?	<i>“In the cases where employees stepped up and out of their comfort zones, realising their greater potential and grabbing the opportunities to grow, support and develop and thus further enhance business operations, teamwork [...]. The R&R programme was a great mechanism to showcase appreciation towards effort” – Participant 12</i>
