



Investigating the use of Generational Cohort Theory to identify Total Reward Preferences

AAYESHA DAVIDS
(DVDAAY001)

Supervisor: Professor Anton Schlechter

Faculty of Commerce
University of Cape Town

2018

COMPULSORY DECLARATION:

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works of other people has been attributed, cited and referenced.

Signed by candidate

Signature: Date:

The copyright of this thesis vests in the author. No quotation from it or information derived from it is to be published without full acknowledgement of the source. The thesis is to be used for private study or non-commercial research purposes only.

Published by the University of Cape Town (UCT) in terms of the non-exclusive license granted to UCT by the author.

ABSTRACT

Background

Anecdotal accounts of stereotypes and/or generalisations about perceived generational differences within the workplace have become commonplace. Generational cohort theories are often used to identify generational cohorts of employees that are argued to be different, including having differing expectations, needs, preferences and even values. In addressing and/or accommodating such individual differences organisations are increasingly adopting strategies and interventions that take such generational differences amongst employees into account (Costanza & Finkelstein, 2015).

Addressing generational differences within the workplace has particularly become popular in the design and implementation of total reward or remuneration and recognition strategies, policies and practices. Understanding generational and/or demographic characteristics, specifically differences, that create distinct cohorts allow organisations to design reward and recognition packages that create distinctly unique value for their employees. Offering tailored or more focused reward strategies and practices, designed with individual differences in mind are believed to enhance attraction, employee engagement and retention and so allow an organisation to bolster its competitive advantage and contribute to sustained organisational success (Snelgar, Renard, & Venter, 2013). In support of this notion, empirical studies are showing promising results for targeted reward strategies and practices.

Rationale for the Research Study

Effective talent management, i.e. attracting, engaging and retaining sought-after highly skilled employees is critical for the success of any organisation. However, organisations are increasingly experiencing challenges in recruiting, motivating and retaining scarce human capital, colloquially referred to as talent (Barkhuizen, 2014). Failure on the part of organisations to understand and adapt to differences in the workforce may result in them not being able to attract the talent required; keep employees motivated and engaged; and experience unintended employee turnover which is associated with notable direct and indirect costs for them (Westerman & Yamamura, 2007). Organisations, therefore, are constantly searching for new and innovative approaches to more effectively attract, retain and engage employees (Snelgar *et al.*, 2013). There is a growing body of research (Haynes, 2011; Snelgar,

Renard, & Venter, 2013) that has shown that identifying distinct reward and recognition preferences amongst cohorts of employees and targeting reward and recognition strategies accordingly, is showing promising potential in this regard.

When designing and implementing targeted approaches to reward and recognition, employee cohorts are most often identified using generational cohort theory, i.e. using various established guidelines to group employees into generational cohorts that are believed to be distinctly different to one another, while those within these groups being more similar than not. Results obtained from studies using these various employee cohorts as a framework have been used to inform the design of targeted reward and recognition practices and policies.

Generational cohort theory is, however, mostly grounded on a set of historical events that took place in the United States of America (USA). Despite this, the American-based framework used to identify individuals belonging to various generations has been adopted globally, both within organisations and even used in research studies published in peer-reviewed literature. However, several authors have criticised the indiscriminate use of a popular American-based generational framework, i.e. focusing on events affecting Americans arguing that this has resulted in a somewhat narrow or even skewed view generational cohorts. These authors have gone as far as to argue that the American-based generational framework may not be appropriate or ineffective outside of the USA at all (Close, 2015). Following this reasoning, they have called for alternative frameworks that create distinct generational cohorts relevant in contexts outside of America, i.e. based on different events and criteria more applicable to those contexts.

Aim of the research study

The aim of the present study was to investigate the reward preferences of a broad range of employees in an effort to assess whether the popular generational model of Strauss and Howe (1991) is relevant and/or as effective in a non-American context, as well as to possibly find support for alternative perspectives or approaches to identify distinct generational cohorts in organisations that may be more appropriate and/or effective when designing reward offerings for different cohorts of employees. Given time and cost constraints, South Africa was chosen to investigate this claim given that it is a developing economy (vs the USA being a developed economy) and has a different set of notable events that have shaped its history to that which is applicable to the USA.

Given the aim of the present study, an exploratory research design was considered most appropriate to investigate generational cohort theory within a non-American context as a framework to identify employee groups/cohorts that have distinctly different total reward preferences.

For the purposes of the present study, it was decided that a quantitative approach would be followed as it is most useful to draw conclusions or inferences related to the total reward preferences of employee groups/cohorts.

The present study followed a non-probability or convenience sampling approach with a realised sample of 169 respondents. The majority of respondents were Coloured and were further female, with majority of attaining a qualification post matric.

Main results and findings

A one-way Analysis of Variance (ANOVA) revealed no statistically significant difference between the generational groups based on the popular generational model of Strauss and Howe (1991), nor for a proposed generational cohort framework that was designed for the purposes of the present study and which was based on notable South African historical events. Following a data-driven exploratory approach, cluster analysis, on the other hand, yielded three distinct generational cohorts based on their perceived reward preferences for typical total rewards elements. Significant differences in the total reward preferences of respondents born after 1994 and those before 1994 were found.

Choice-based modelling (choice-based conjoint analysis) revealed that most respondents considered financial rewards and remuneration as being the most preferred total reward elements, followed by benefits and non-financial rewards (work-life balance being the most preferred non-financial reward preference).

Theoretical and Practical Implications

Numerous research studies have made use of the popular American-based generational model to identify the reward preferences of cohort groups, without taking into account context-specific variables. There is further a dearth of empirical research that has been conducted to investigate generational cohort theory specifically, while none were found that were conducted in developing economies, such as South Africa. The present study address this gap in current literature.

The use of choice-based modelling or choice-based conjoint analysis, furthermore, makes a methodological contribution given that this method is seldom found in total reward preference studies. This method was shown to identify total reward preferences that could not be determined using a field-survey or questionnaire. Choice-based modelling is different to typical survey approaches in that it is better able to replicate human decision making, i.e. assessing relative importance of attributes and levels based on combinations of choices and related sacrifices that humans deal with when making a choice-decision. In terms of the practical contribution of the present study, the results provide insights for organisations that may be incorporated when designing differentiated total reward strategies to accommodate and/or address the needs of the different generational groups.

Keywords: reward preferences, generational cohort groups, choice-based conjoint analysis, cluster analysis.

Acknowledgements

I would like to acknowledge the invaluable guidance and support of my supervisor, Prof Anton Schlechter who provided continuous motivation and encouragement throughout the year for this study.

I would like to acknowledge Dr. Felix Eggers for providing the conjoint software tool and his willingness to assist with his expertise regarding the conjoint analysis.

And lastly, my family as well as my colleagues for their invaluable support, understanding and motivation throughout the year.

TABLE OF CONTENT

ABSTRACT	i
INTRODUCTION	1
CHAPTER 2	6
LITERATURE REVIEW	6
The war for talent	6
Total Rewards Model	9
Remuneration.....	9
Financial Benefits	11
Work life.....	11
Performance management	12
Recognition.....	13
Career development and advancement opportunities.....	13
Rewards and motivation theory	15
Expectancy theory of motivation.....	15
Generational cohorts	17
Construction of a generation.....	18
Generational turning based on American history	19
Generational cohort theory by Strauss and Howe	19
Criticism of popular generational cohort theory	22
Generational turnings based on South African history.....	24
CHAPTER 3	29
METHOD	29
Research Design	29
Research Approach	30
Sampling	30
Measuring instruments	30

Data Collection Procedure	33
Ethical considerations	34
Realised sample	34
Statistical Analysis	36
CHAPTER 4	38
RESULTS	38
Assessing Unidimensionality	38
Descriptive statistics for the Total Rewards Questionnaire	41
Factorial analysis of variance for generations used in the current generational theory	46
Data-driven exploratory analysis	47
Discriminant analysis	56
Assessing Rewards Preferences by means of Choice-Based Conjoint Analysis..	65
Differences between cohorts based on USA generations	67
Differences between cohorts based on SA generations	68
CONCLUSION	71
CHAPTER 5	72
DISCUSSION	72
Theory-Driven Approaches	74
Total rewards preferences across USA Generations	74
Total rewards preferences across SA Generations	75
Data-Driven Approach	82
Cluster analysis	82
Differences in Clusters based on race.....	83
Differences in Clusters based on gender	83
Differences in Clusters based on educational level	83
Differences in Clusters based on job level	84

Differences in Clusters based on marital status.....	85
Differences in Clusters based on age.....	85
Limitations and Recommendations for Future Research	88
Theoretical Contribution.....	89
Practical Contribution	89
Conclusion.....	90
References.....	91

List of Tables

Literature Review

<i>Table 1 Reward elements reported in the literature</i>	7
---	---

Chapter 2

<i>Table 2 Reward preference differences between the generations reported in the literature</i> ...	22
---	----

<i>Table 3 Categorisation of American and South African generations</i>	27
---	----

Chapter 3

<i>Table 4 Selected attributes and levels utilised for Choice-based modelling</i>	32
---	----

<i>Table 5 Biographical information of sample</i>	35
---	----

Chapter 4

<i>Table 6 KMO and Barlett's Test results</i>	39
---	----

<i>Table 7.1 Component matrix for Factor Analysis of remuneration</i>	39
---	----

<i>Table 7.2 Component matrix for Factor Analysis of benefits</i>	40
---	----

<i>Table 7.3 Component matrix for Factor Analysis of recognition</i>	40
--	----

<i>Table 7.4 Component matrix for Factor Analysis of organisational culture</i>	40
---	----

<i>Table 7.5 Component matrix for Factor Analysis of talent development</i>	40
---	----

<i>Table 7.6 Component matrix for Factor Analysis of work-life</i>	41
--	----

<i>Table 8 Cronbach's alpha coefficient for total reward element preferences</i>	41
--	----

<i>Table 9 Descriptive statistics for reward element preferences</i>	42
--	----

<i>Table 10 Results of ANOVA for total rewards preferences across USA Generations</i>	47
---	----

<i>Table 11 Results of ANOVA for total rewards preferences across SA Generations</i>	47
--	----

<i>Table 12 Final Cluster Centers</i>	49
---	----

<i>Table 13 Results of ANOVA for clusters</i>	50
---	----

<i>Table 14 Descriptive statistics for reward element preferences for clusters</i>	53
--	----

<i>Table 15 Test of Homogeneity of Variances</i>	54
--	----

<i>Table 16 Results of ANOVA for recognition and organisational culture</i>	54
---	----

<i>Table 17 Results of Robust Test of Equality of Mean</i>	55
--	----

<i>Table 18 Tukey's Post Hoc Comparison of total reward preferences across clusters</i>	56
---	----

<i>Table 19 Box's test of covariance matrices</i>	57
---	----

<i>Table 20 Box's M test results</i>	57
--	----

<i>Table 21 Tests of Equality of group means</i>	58
--	----

<i>Table 22 Eigenvalues of Discriminant Functions and Wilks' Lambda</i>	58
<i>Table 23 Classification Function Coefficients</i>	59
<i>Table 24 Descriptive statistics of demographic variables of clusters</i>	60
<i>Table 25 Descriptive statistics for age</i>	64
<i>Table 26 Results of ANOVA for age across Clusters</i>	64
<i>Table 27 Attributes and levels for the Conjoint Analysis for the overall sample</i>	66
<i>Table 28 Relative Importance of Attributes by USA Generation</i>	67
<i>Table 29 Summary of the Conjoint Task – Ranked attributes for USA generations</i>	67
<i>Table 30 Summary of the Conjoint Task – Ranked attributes for SA generations</i>	68
<i>Table 31 Relative Importance of Attributes by SA Generation</i>	69
<i>Table 32 Relative Importance of Attributes by Cluster group</i>	70
<i>Table 33 Summary of the Conjoint Task – Ranked attributes for cluster groups</i>	71
<i>Table 34 Summary of the Conjoint Task – Selected levels of reward attributes per generational group</i>	81

List of Figures

Chapter 4

<i>Figure 1-1</i> Boxplot of the distribution of preference for reward elements	42
<i>Figure 1-2</i> Boxplot of the distribution of preference for remuneration.....	43
<i>Figure 1-3</i> Boxplot of the distribution of preference for benefits.....	44
<i>Figure 1-4</i> Boxplot of the distribution of preference for recognition	44
<i>Figure 1-5</i> Boxplot of the distribution of preference for talent development.....	45
<i>Figure 1-6</i> Boxplot of the distribution of preference for organisational culture.....	45
<i>Figure 1-7</i> Boxplot of the distribution of preference for work life.....	46
<i>Figure 2-1</i> Boxplot of reward preference for all three clusters.....	50
<i>Figure 2-2</i> Boxplot of reward preference for cluster 1	51
<i>Figure 2-3</i> Boxplot of reward preference for cluster 2.....	51
<i>Figure 2-4</i> Boxplot of reward preference for cluster 3.....	52
<i>Figure 3</i> Boxplot of reward preference across three clusters.....	59
<i>Figure 4</i> Clusters based on race.....	61
<i>Figure 5</i> Clusters based on gender.....	61
<i>Figure 6</i> Clusters based on educational level.....	62
<i>Figure 7</i> Clusters based on job level.....	62
<i>Figure 8</i> Clusters based on marital status.....	63
<i>Figure 9</i> Clusters based on age.....	63
<i>Figure 10</i> Composition of clusters.....	64

Chapter 5

<i>Figure 11</i> The overall ideal mix of total rewards for all generational cohorts based on the American generational cohort model.....	75
<i>Figure 12</i> The overall ideal mix of total rewards for the generational group born between 1939- 1959.....	76
<i>Figure 13</i> The overall ideal mix of total rewards for the generational group born between 1960-1979 and 1980-1993.....	76
<i>Figure 14</i> The overall ideal mix of total rewards for the generational group born in 1994 and after.....	77
<i>Figure 15</i> The overall ideal mix of total rewards for all clusters.....	82
<i>Figure 16</i> Reward preferences of clusters.....	83
<i>Figure 17</i> Biographical differences between clusters.....	86

CHAPTER 1

INTRODUCTION

As the profile of employees working in organisations continue to become more diverse, a common topic in academic and popular literature is the perceived differences between and similarities within various cohorts of employees (Lester, Standifer, Schultz, & Windsor, 2012). In particular, the perceived stereotypes and/or generalisations about various generations of employees have become increasingly popular and are widely cited in popular and academic literature. Generational cohort theories have been and are often used to identify various generational cohorts of employees. These generational cohorts are argued to have differing expectations, needs, preferences and even values (Costanza & Finkelstein, 2015). In addressing and/or accommodating generational differences, organisations are increasingly adopting people management strategies and interventions that take generational differences into account given the belief that such targeted approaches to managing people are more effective than one-size-fits-all approaches (Costanza & Finkelstein, 2015).

Addressing generational differences within the workplace has become particularly popular in the design and implementation of total reward or remuneration and recognition strategies, policies and practices. It is argued that a more nuanced and contextually relevant understanding of the reward preferences of different generational cohorts, in other words, the extent to which total reward elements are preferred by various generations within different contexts are believed to enable organisations to better meet the needs of different cohorts of employees that in turn lead to higher levels of attraction, employee engagement and retention (Bussin & Toerien, 2015). In support of this notion, Moore and Bussin (2012) found that structuring total rewards according to individual preferences was positively related to attraction, employee engagement and retention.

Attracting, retaining and engaging employees that possess strategically important skills, knowledge and experience, colloquially referred to as talent management, has become challenging for organisations due to the higher demand for talent than supply, i.e. those employees that possess scarce skills and experience that are hard to come by in competitive markets; increasing mobility and global competition for talent; and the forthcoming retirement of many so-called baby-boomers, i.e. those born between 1943 and 1960. These factors,

amongst others, adversely affect the ability of organisations to create and maintain a competitive advantage (Martins & Martins, 2014). As a result, organisations are constantly seeking novel strategies and approaches to ensure they remain competitive in their respective industries and deliver expected shareholder returns. As suggested above, one response that has received wide-spread appeal is offering targeted reward strategies and practices designed to create unique/distinct value for specific cohorts of employees, for example, that take generational and/or demographic characteristics into account given support for the motivational value of such approaches.

Furthermore, as suggested above targeted approaches to reward and recognition are believed to enhance attraction, employee engagement and retention and allow organisations to bolster its competitive advantage and contribute to sustained organisational success (Snelgar, Renard, & Venter, 2013). There is a growing body of knowledge that supports this view and as a result many authors suggest that it is imperative for organisations to consider generational structures as they relate to employment outcomes, such as attraction, engagement, and retention and therefore provide targeted strategies and practices that address generational differences and similarities amongst employees (Pitt-Catsouphes & Matz-Costa, 2008).

It is argued that different generational cohorts perceive and value rewards differently (Bussin & Van Rooy, 2014) and present a unique set of motivations and strengths (Hole, Zhong, & Schwartz, 2010), which can lead to distinct generational perceptions and values (Hlongwane & Ledimo, 2015). For example, older and younger employees seem to desire different work opportunities, such as career advancement, professional development, job flexibility and monetary remuneration to keep them motivated and engaged (Bright, 2010). Bright (2010) suggested that distinct patterns of total reward preferences are the result of each generation being shaped by defining historical events and life experiences. These similar and distinctly different life experiences and events are believed to create distinct generational personalities that can affect an individual's outlook on life and so the type of total reward elements they most desire.

While the concept of generational cohort differences is universal, generational cohort theories, i.e. how generations are defined remains largely specific to a given (dominant) society (Hole, Zhong, & Schwartz, 2010). The underlying assumption that all members of a given generation will have experienced the same socio-cultural or socio-economic events in the same manner

and across different societies is, however, increasingly being criticised (Macky, Gardner, & Forsyth, 2008). The sequential points that are used to separate different generations are also being increasingly criticised, as well as how these points are determined.

Support for the notion that individuals have different reward preferences and that individuals place different values on different categories of the rewards model, comes from research most-often conducted in Europe and North America (Nienaber, Bussin, & Henn, 2011). As suggested above, several authors have argued that popular generational theory and even the findings of studies that are based on them, may not be applicable to contexts outside of America. However, the adoption of American-based generational theory has become wide-spread and used globally, i.e. outside of America by academics and practitioners alike (Bussin & Van Rooy, 2014). Chan (2014) argued that one cannot make a generalisation that all cultures of the world behave like mainstream Americans because of historical events that mostly affected America and are part of American history.

In support of the argument made above, it has been found that employees working for an organisation that operates within different geographic locations (multi-national organisations) have noticeably different total reward preferences and motivators for each region. As a result, it has been argued that reward strategies should be structured according to cultural differences to increase the motivational effectiveness of the rewards offered (Nienaber, Bussin, & Henn, 2011). Van der Walt, Jonck and Sobayeni (2014) maintain that, for example, there are generational time span differences between different countries. The Western view of generational differences, which is arguably most widely accepted, claims that millennials are millennials wherever they are in the world and regardless of their own historical context (Hole, Zhong, & Schwartz, 2010). Such generalisations are, however, seldom challenged nor questioned. Several authors argue that this may not be true for non-Western cultures (Macky, Gardner, & Forsyth, 2008).

Given the criticism that other parts of the world have not been influenced by American historical events on which commonly used generational cohort theory is based, several researchers have called for alternative culture- or context-specific classifications and approaches for studying generational cohorts (Chawla, Dokadia, & Rai, 2017). Gaining a better understanding of generational differences in different societies, shaped by local political, socio-economic and cultural events that may have had a transformative impact on a particular

population or culture, is being called for (Hole, Zhong, & Schwartz, 2010). Despite this, there is a dearth of empirical research that has been conducted to investigate generational cohort theory in non-American contexts, while no studies could be found that were conducted in developing economies, such as South Africa for example. This represents a gap in current literature.

The aim of the present study was, therefore, to investigate the reward preferences of a broad range of employees in an effort to assess if popular American-based generational cohort theories are relevant and/or effective outside of America, as well as to possibly find support for alternative perspectives or approaches to identifying generational cohorts that may be more appropriate and/or effective when designing targeted reward and recognition offerings.

Research Objectives

Given the aim of the present study, the following theoretical and empirical objectives were formulated.

Theoretical objectives

Given the aim, an objective of the present study is to investigate the relevance and effectiveness of the current generational model of Strauss and Howe (1991) in a non-American context, such as South Africa. Also, to investigate more appropriate and/or effective approaches when designing reward offerings for different cohorts of employees, specifically in a developing economy. In addition to using a field survey questionnaire, Choice-based conjoint analysis will be used to better replicate the combinations of choices respondents make in decision making.

Empirical Objectives

Given the aim of the present study, to investigate more appropriate and/or effective approaches when designing reward offerings for different cohorts of employees, a data-driven approach will also be followed to identify employee groups with distinct reward preferences.

Conclusion

Organisations are progressively experiencing challenges in recruiting, motivating and retaining scarce human capital (Barkhuizen, 2014) and are continuously searching for new and inventive approaches to more effectively attract, motivating, engaging and retaining employees (Snelgar *et al.*, 2013). A potential solution is to identify the distinct reward and recognition preferences

amongst cohorts of employees and then targeting reward and recognition strategies accordingly (Haynes, 2011). Most often generational cohort theory which is typically grounded on a set of historical events that took place in the United States of America (USA) is used to design reward and recognition strategies. The use of this theory has been criticised as not being appropriate or ineffective outside of the USA (Close, 2015). Following this reasoning, the present study aimed to assess if the popular American-based generational cohort theories are applicable and/or effective outside of America, as well as to potentially find support for alternative approaches to identifying generational cohorts that may be more appropriate when designing targeted reward and recognition offerings in South Africa.

CHAPTER 2

LITERATURE REVIEW

A popular, widely adopted total reward framework as it relates to attraction, employee engagement and the retention of employees is described in this chapter. A popular generational cohort theory, as often used to study and described total reward preferences is further discussed, as well as the growing criticism of its indiscriminate use in contexts outside of America. Lastly, a possible alternative approach to defining and identifying generational cohorts within organisations outside of the American context, is proposed here.

The war for talent

There is increasing evidence that human capital or human resources are critical for organisational success and could offer the best return on investment for a sustainable competitive advantage (Luthans & Youssef, 2004; Bussin & Thabethe, 2018). However, organisations operate in a severely competitive environment that is characterised by what is often described in popular writing, as a war for talent (Chen & Hsieh, 2006) and organisations are facing difficulties in attracting, motivating and retaining critical human capital (Gupta & Sharma, 2016; Tarique & Schuler, 2010; Horwitz, Heng, & Quazi, 2003). Rapidly changing technology, the growth of knowledge and shifting priorities and preferences of an ever-changing workforce, demands a dynamic and targeted approach to designing and offering an attractive employee value proposition (EVP) to current and potential employees (Gupta & Sharma, 2016).

Traditionally, reward management practices and policies in organisation are based on a notion that money (cash) is the strongest motivator and, therefore, offer financial rewards such as competitive salaries, bonuses and performance-based financial incentives to employees in an effort to attract, engage and retain them (Gupta & Sharma, 2016; Chen & Hsieh, 2006; Jiang, Xiao, & Xiao, 2009). Such approaches to remuneration and total reward management are, however, being increasingly argued to no longer be effective in a changing and competitive environment (Horwitz, Heng, & Quazi, 2003). Also, as organisations become increasingly diverse, reward practices must adapt to attract, engage and retain different types of employees than which they have become accustomed to (Chen & Hsieh, 2006).

The concept of a contemporary total reward system is composed of components or reward elements that include financial rewards such as a fixed pay, variable pay, benefits and non-financial recognition such as individual growth opportunities and a positive workplace being incorporated in such a manner as to attract, engage and retain employees (Chen & Hsieh, 2006).

Worldatwork (2008) argue that total rewards are any rewards an employer has available that could be used to attract, motivate and retain employees and also includes anything that employees may perceive to be of value to them. Jiang *et al.*, (2009) states that total reward is the term adopted to describe a reward strategy that brings a wide range of components, such as learning and development and the working environment, into the remuneration and benefits package.

Many organisations acknowledge that total reward programmes are required to attract, engage and retain employees and, therefore, offer their employees an extensive range of benefits and work-life programmes to attract and retain them (a desirable EVP). Such approaches to reward management have been found to be valued by employees and essential for the success of organisations (WorldatWork, 2007).

Several total reward models have can be found in the literature, yet each of the total reward models identifies essential elements of a reward system that are a grouping of financial and non-financial rewards.

The reward elements reported in the literature, are summarised in Table 1 (see below).

Table 1

Reward elements reported in the literature

Study	Reward element	Category
(Twenge, Campbell, Hoffman, & Lance, 2010)	Social interactions	Non-financial
	Money	Financial
(Bussin & Van Rooy, 2014)	Long service awards	Non-financial
	Mentorship and coaching programme	Non-financial
	Flexible working hours	Non-financial
	Salary	Financial
	Training courses	Non-financial
	On-the-job training	Non-financial
	Pleasant work environment	Non-financial
	Study bursary – Fully paid	Non-financial
	Gym facilities	Non-financial
	Bonuses	Financial
	Non-financial recognition awards	Non-financial
	Wellness programme	Non-financial
(Pregolato, Bussin, & Schlechter, 2017)	Remuneration	Financial
	Benefits	Non-financial
	Work-life balance	Non-financial
	Career advancement	Non-financial
(Moore & Bussin, 2012)	Remuneration	Financial
	Benefits	Non-financial
	Social interaction	Non-financial
	Security	Non-financial
	Status or recognition	Non-financial
	Work variety and workload	Non-financial
	Authority or control or autonomy	Non-financial
	Feedback	Non-financial
	Work conditions	Non-financial
	Development opportunity	Non-financial
(Smola & Sutton, 2002)	Being recognised and gaining the respect of others	Non-financial
	Getting more money or a large pay increase	Financial
	Receiving more fringe benefits	Financial
	Having leisure and free time	Non-financial
(Barkhuizen, 2014)	Receive a base salary	Financial
	Get career development	Non-financial
	Have health care benefits	Non-financial
	Organisational climate within the organisation	Non-financial
	Performance management system in the organisation	Non-financial
	Receive retirement benefits	Financial
	Receive recognition within the organisation	Non-financial
	Have succession planning within the organisation	Non-financial
	Have time-off options (i.e. flexible work hours)	Non-financial
	Have training opportunities	Non-financial
	Have a variable pay component as part of the remuneration plan (i.e. bonuses)	Financial
	Have work/life balance	Non-financial
(Bryant & Allen, 2013)	Positive relationships with others in the organization	Non-financial
	Clear role expectations, minimal role conflict, and opportunities for growth and advancement	Non-financial
	The nature of the relationship with one's immediate supervisor	Non-financial
	Pay	Financial
(Chen & Hsieh, 2006)	Competitive salaries	Financial
	Bonuses	Financial
	Performance-based financial incentives	Financial
(Bright, 2010)	Career advancement	Non-financial
	Professional development	Non-financial
	Job flexibility	Non-financial
	Monetary remuneration	Financial

The WorldatWork (2008) total reward model is popular and widely used and represents typical total reward models that can be found in popular and academic literature. Therefore, this reward model is used for the purposes of the study.

Total Rewards Model

The WorldatWork (2008) total rewards model classifies total reward into six reward elements that jointly define an organisation's strategy to attract, engage, retain employees (WorldatWork, 2008). The six reward elements, according to this model, are:

- **Remuneration** - fixed remuneration or guaranteed pay (also referred to as base pay);
- **Benefits** - financial benefits, such as medical or retirement benefits that provide security for employees and their families;
- **Work life** – organisational processes, philosophies, structures and environments that support employees in their roles and responsibilities outside of their employment;
- **Performance management** - the awareness that employee effort and performance is being measured, recognised and aligned with an organisation's goals. Performance assessment and feedback is provided for, while support is offered in terms of continuous improvement;
- **Recognition** - the acknowledgement of employee efforts, behaviour and performance using non-financial rewards that reinforce behaviours that contribute to the success of the organisation; and
- **Career development/advancement** - initiatives and opportunities that are offered to enhance an employee's skills and future employability and/or promotability i.e. career-related opportunities that contribute to a clear upwards career path, as well as promotions that result from such opportunities (WorldatWork, 2008).

Each of the total reward elements indicated above, are described in further detail below:

Remuneration

Remuneration or pay is arguably the oldest and still often the main factor in the design and implementation of most reward practices and policies in organisations (Petera, 2011) as a means to attract, engage, retain employees and serve as a reinforcer of employee performance

(Peterson & Luthans, 2006). Remuneration is pay provided by an employer to an employee for services rendered (i.e. time, effort and skill) and includes both fixed and variable pay (WorldatWork, 2008). Base pay is guaranteed fixed pay that does not vary with performance and is usually determined by the organisation's structure, pay philosophy and based on job evaluation (Total Reward Toolkit, 2012). Base pay also includes general cost of living increases and/or lump-sum non-performance linked bonuses, such as a guaranteed 13th cheque (Petera, 2011).

Variable pay, on the other hand, are bonuses that are linked to performance objectives and results that need to be earned and are agreed to at the beginning of each performance period (usually annually) and are not guaranteed. Variable pay includes short-term incentives centered on reward performance over a short period of time but could also include longer-term bonuses that incentives long-term planning and sustainable success (Petera, 2011). Performance based pay is offered as a reward to motivate employees to perform better and to meet goals and requires clear goals and measures to be established (Total Reward Toolkit, 2012). Pay for performance augments the traditional approach of remunerating employees based on tenure and seniority, which more often encourages employees to stay with the organisation while not necessarily supporting the achievement of the strategic goals of the organisation (Total Reward Toolkit, 2012).

The importance of pay for different individuals varies considerably and studies have found that that different people have different levels of need for money (Mitchell & Mickel, 1999). According to Maslow's hierarchy of needs, pay is viewed as important to satisfy the lowest levels of needs, which when met, makes money less of a motivator (Mitchell & Mickel, 1999).

Incentive pay is a popular practice in many organisations and has been shown to be effective in directing employee behaviour. Organisations have further used reward strategically by offering both team and individual incentive strategies to encourage more team-based behaviours (Total Reward Toolkit, 2012). Another option some organisations include in their reward strategies are organisation-wide incentives where rewards are linked to the organisation's performance, such as profit sharing or employee stock ownership. This type of incentive provides the employee with an opportunity to share in the success of the organisation

and so encourage them to contribute towards organisational success as a shared goal (Total Reward Toolkit, 2012).

Financial Benefits

Benefits are used by organisations to complement or supplement the remuneration employees receive (WorldatWork, 2008). These programmes are designed to protect the employee and their families from financial risk (Total Reward Toolkit, 2012). Benefit programmes include initiatives such as medical benefits for employees and family members, mental health programmes, life insurance, retirement benefits, pension plans and paid vacations (Total Reward Toolkit, 2012).

Within a total rewards framework, benefits are believed to have a positive impact on attraction, employee engagement and retention (Kwon & Hein, 2012). In a recent study, it was found that 95% of respondents rated medical plans as having either a moderate to high impact on attraction; while over 90% of respondents stated that paid vacation has a moderate to high impact on attraction and retention (WorldatWork, 2010). Only 25% of organisations that offered on-site childcare programmes rated this benefit as having a high impact on attraction. It was further found that most employee wellness programmes are utilised by about half of the respondents, specifically initiatives such as health screenings, weight and stress management programmes. It was reported that these types of initiatives have a slight effect on attraction and retention (Total Reward Toolkit, 2012).

Benefits are further used to augment market-median salaries. Some potential employees are inclined to accept lower salaries if the benefits being offered by an organisation are desirable (WorldatWork, 2010).

Work life

Work life programmes are a specific set of organisational practices and policies that aim to assist employees to achieve success in both their work and personal lives, i.e. at work and home (WorldatWork, 2008). Such programmes typically offer workplace flexibility, health and well-being benefits, financial support, community involvement, flexitime and compressed work weeks (Petera, 2011). Work life balance initiatives have been shown to assist in reducing stress

and improve employees' lives in general and is believed to support employee performance and success in the workplace (Total Reward Toolkit, 2012).

Work life based rewards are believed to be both a satisfier and motivator for employees. Allowing employees flexibility in the workplace can provide employees with more control over their lives and so aid their engagement and retention (Total Reward Toolkit, 2012). Offering such (non-financial) benefits or initiatives can further aid recruitment efforts as such organisations are perceived to be more attractive to certain applicants that have a strong family identity and/or family roles and responsibilities. Previous studies have even found that work-life based benefits can be attractive to employees who are not parents, i.e. that have dependents. Providing possible recruits with information on an organisation's work life benefits can create the perception that the organisation will be supportive of personal needs in general (Total Reward Toolkit, 2012).

Performance management

Performance management refers to efforts in managing individual, team and organisational efforts that are directed towards achieving an organisation's strategic goals and objectives. This typically includes the establishment and agreement of expectations, demonstration of skills, assessment, feedback and continuous improvement (WorldatWork, 2008). Performance management is most often viewed as a management tool that aims to manage and improve the performance or productivity of employees (Goh, 2012) and to ensure that employee efforts are aligned with the overall shared mission, vision, and goals of the organisation (Mujtaba & Shuaib, 2010). Effective performance management systems have further been found to aid organisations in improving levels of organisational commitment and talent retention (Mabaso & Dlamini, 2018) as well as other desirable organisational level outcome variables.

The use of 360-degree performance appraisals that include feedback from clients/external stakeholders and co-workers encourage customer satisfaction and a focus on teamwork. Performance appraisals ought to also have a strong developmental component focused on helping individuals obtain the skills and training needed to be successful in achieving organisational goals and also lead to career advancement opportunities such as (Allen & Kilmann, 2001).

Recognition

Recognition refers to the attention given to employees for their efforts, positive behaviour, contribution to adding value and/or performance. Providing employees with recognition meets an intrinsic psychological need for appreciation of employee effort and commitment, which supports the strategic goals and objectives of an organisation by reinforcing desirable behaviours. Both formal and informal recognition programmes recognise an employee's contribution and rewards and can be financial or non-financial in nature (WorldatWork, 2008). Non-financial recognition can take the form of personal acknowledgement or praise given by a manager to an employee or voucher schemes where the employee is provided with a voucher for performance (Silverman, 2004). Financial recognition can include profit sharing plans, paid vacations, cash awards or annual bonuses (Peterson & Luthans, 2006).

The recognition of employee achievements is motivating and have been shown to be even more effective than financial rewards in some circumstances (Total Reward Toolkit, 2012). Recognition has been related to higher employee morale, creating a sense of belonging and an increased commitment to the organisation and high levels of job satisfaction. (WorldatWork, 2010).

The outcome of performance appraisals further allows higher performing employees to be rewarded for their efforts, productivity and contribution to the organisation (Lyons & Ben-Ora, 2002). According to Lyons and Ben-Ora (2002), successful performance-based rewards are closely aligned with business strategy.

Career development and advancement opportunities

Employee development is viewed as a set of learning experiences that are designed to improve skills and competencies. It encourages employees to perform better and leaders to advance an organisation's human resource strategies (WorldatWork, 2008). In the total rewards framework, career development is viewed broader than just a focus on technical skills, but rather to include a set of learning experiences designed to instil and improve an employee's competencies, knowledge, skills and behaviour and so ensure that employees are given exposure to positions that allow them to deliver the greatest value to the organisation (WorldatWork, 2008). Providing career development opportunities are further used to create a learning culture in an organisation (Total Reward Toolkit, 2012).

Career opportunities include a plan for employees to develop and achieve their career goals and hopefully lead to promotion or opportunities to advance to a position with more authority in the organisation and so earn a higher salary. Organisations further provide career development and advancement opportunities as part of succession planning, which is a necessary component of sustainable organisational success.

Presenting employees with meaningful development and career advancement opportunities further ensure that the organisation is able to motivate and reward their employees for contributions (Total Reward Toolkit, 2012). Most employees want to progress in their career and add greater value to the organisation they work for. It is, therefore, important for organisations to invest in employee growth and success.

Previous research revealed a significantly positive relationship between perceived career development and advancement opportunities and the attractiveness of that organisation as an employer of choice (Total Reward Toolkit, 2012). A positive organisational reputation or employer brand has in this way been found to be an effective strategy to bolster recruitment efforts and be in a position to select the best available talent in the market (Total Reward Toolkit, 2012).

Total reward element preferences

Despite the effectiveness of the various reward elements described above to bolster attraction, employee engagement and retention, not all reward elements will 1) be valued by all employees in the same manner and to the same extent; and 2) the perceived value of various reward elements may change over time. It is, therefore, important for organisations to understand the needs and preferences of different cohorts of employees as they relate to total reward preferences, to be able to best address such differences.

When properly designed, delivered and communicated, an organisation's total rewards programmes can offer an incentive for talented people to join an organisation, to perform at levels that produce the desired business goals and to remain with the organisation (Kwon & Hein, 2012). However, Rumpel and Medcof (2006) maintain that an effective reward and recognition strategy should take into account the specific reward elements that cohorts of employees value most, to best ensure that the desired attraction, engagement and retention are

achieved. As a result, many organisations have adopted generational cohort models to design targeted reward strategies for various employee groups.

Rewards and motivation theory

As suggested above, reward practices and policies play an important role in motivating employees to perform and serve as motivators in shaping the behaviour of employees (Chen & Hsieh, 2006).

Intrinsic and extrinsic motivation

The concept of motivation refers to internal factors that drive action, i.e. intrinsic motivators and external factors that can act as incentives to action or extrinsic motivators (Locke & Latham, 2004). Total reward practices function as both extrinsic and intrinsic motivators (Chen & Hsieh, 2006). Intrinsic motivation refers to doing something because it is intrinsically interesting and enjoyable, and extrinsic motivation refers to doing something because it leads to a distinguishable outcome (Ryan & Deci, 2000).

Expectancy theory of motivation

The expectancy theory (1964) argues that the strength of a tendency to act in a certain manner depends on the strength of the expectation the individual has that the act will be followed by a specified outcome (referred to as instrumentality) and also on the attractiveness (referred to as valance) of that outcome to the individual (Ramlall, 2004). Expectancy theory maintains that motivation is a combination of the individual's perception that effort will lead to performance and the supposed attractiveness of the outcome that may result from performance (Ramlall, 2004).

Vroom presented the first formulation of expectancy theory, as it related to the workplace (Steers, Mowday, & Shapiro, 2004). Vroom claimed that individuals tend to sensibly evaluate on-the-job work behaviours, for example working harder and then select behaviours believed to lead to the most valued work-related rewards and outcomes, for example, a promotion. Therefore, the attractiveness of a specific task and the energy devoted in it will depend on the extent to which the individual believes its achievement will lead to valued outcomes (Steers, Mowday, & Shapiro, 2004).

Porter and Lawler (1968) developed an expectancy model of motivation that extended Vroom's expectancy theory (Ramlall, 2004). In Porter and Lawler's model, effort is seen as a function of the perceived value of a reward and the perceived effort and reward possibility. Porter and Lawler maintained that individuals may display more effort when they believe that the accomplishment of a task will be followed by a valued reward (Steers, Mowday, & Shapiro, 2004). Additionally, there is a relationship between performance and satisfaction that is facilitated by the quality and the extent of the rewards received for good performance (Steers, Mowday, & Shapiro, 2004). Porter and Lawler further included a feedback loop to recognise learning about past relationships (Steers, Mowday, & Shapiro, 2004).

Total reward preferences

As argued above, a one-size-fit-all approach to reward preferences is no longer effective in attracting, engaging and retaining talent (Snelgar *et al.*, 2013). Evidence suggests that when designing total reward strategies, the diverse needs and motivational drivers of employees need to be considered (Jiang, Xiao, & Xiao, 2009). Essentially, not all rewards will impact all individuals in the same way, making it important for organisations to understand the reward needs and preferences of various employees (Rumpel & Medcof, 2006). Employees have different characteristics and needs that can best be met with different types of rewards. It is thus important to customise the reward options to suit the personality and interests of each individual to make the rewards more meaningful (Chen & Hsieh, 2006).

Since rewards represent what is valuable and meaningful to the individual, skilled and talented employees may be less likely to be motivated by rewards that are not aligned with their preferences and values (Bussin & Toerien, 2015). Given the argument that targeted reward and benefit offerings allow employees to be provided with tailored packages that suit their personal motivations, it is necessary to identify who the cohorts of employees are that have distinct reward preferences when compared to other cohorts of employees, while on the other hand when comparing themselves with this in the same cohort as they are, being more similar in their reward preferences than not.

Therefore, it is suggested that organisations understand which demographic characteristics can be used to identify various employees' groups or cohorts (Snelgar *et al.*, 2013). Being able to identify these groups will ensure that organisations are able to design rewards packages that create unique value for different employee groupings (Snelgar *et al.*, 2013). This presents a

challenge for organisations. One approach to identifying employee groupings or cohorts that are believed to have similar reward preferences amongst one another that are, however, also distinctly different between one another are based on generational differences.

Generational differences in the workplace

Snelgar *et al.*, (2013) found that employees in the age group 18-29 years regarded work-home balance more important than base pay. In contrast, other studies found that remuneration as a reward is one of the most significant factors for younger generations (Barkhuizen, 2014). Smola and Sutton (2002) studied the work values of older and younger generations and found that employees in the age group 54-72 agreed that work ought to be one of the most vital parts of an individual's life. Employees in the age group between 38-53 were notably more likely to want to be promoted quickly.

On the other hand, some researchers have not found the generational differences suggested by previous research (Sullivan, Forret, Carraher, & Mainiero, 2009). While previous studies on generational characteristics found that employees in the 38-53 age group were more motivated by factors such as challenging work and those between the ages of 54-72 being motivated by status and money, Sullivan *et al.*, (2009) could not find such significant generational differences. This seems to suggest that there could be other factors, such as growth needs and personality traits that may determine an individual's needs besides generational differences.

Generational cohorts

Anecdotal accounts and academic literature suggest that generational cohorts each possess a unique set of characteristics and preferences that distinguish their workplace tendencies from one another (Lester, Standifer, Schultz, & Windsor, 2012).

Karl Mannheim is viewed by most as the first modern-day academic to suggest and explore generational differences. Mannheim in the early 1960's suggested that a generation is not merely a cohort of individuals clustered by year of birth or age, but rather individuals who share a history and a set of experiences that have been significant in shaping their lives, as well as an acknowledgement of these experiences and their impact (Mannheim cited in Knight, 2009).

Generational cohort theory, which is informed by the work of Mannheim (1964) and developed further and popularised by Strauss and Howe (1991) suggests that a generation is a social construction whereby individuals born during a specified periods are influenced by historic and social contexts in such a way that these experiences differentiate one generational cohort from another (Smola & Sutton, 2002; Ghosh & Chaudhuri, 2009; Lester *et al.*, 2012). Notable historical events that occur in a specific era, for example, the Vietnam war or the abolition of apartheid in South Africa are argued to have shaped individuals during that time, but in a way that is different given the age of the individual at the time. (Van der Walt, Jonck, & Sobayeni, 2014). Within a generational school of thought, it is also maintained that values are also shaped by defining historical events that occur as individuals mature into adulthood in a way that leaves a lasting impression (Smola & Sutton, 2002).

Generational cohort theory seems to highlight at least two elements that are essential to the conceptualisation of a generational cohort, including 1) a shared historical time-frame; and 2) an awareness of significant events that took place during that time (Van der Walt, Jonck, & Sobayeni, 2014).

Construction of a generation

According to the popular generational cohort framework of Strauss and Howe (1991), history has four distinct stages or cycles that repeats with every generational cohort archetypes. In this framework, history creates generations and generations also create history and it is people who define a generation. In this framework, the birth dates of generational cohorts were developed by identifying groupings of around a twenty-year period at a time wherein group members were confronted with key historical and social events while being of a similar age (Strauss & Howe, 1991). Strauss and Howe (1991), similar to Mannheim's original claim suggested that there are repeating cycles of crises and ensuing recoveries and the shift from one cohort to another cohort is called a turning (Perryer & Plowman, 2011). Each turning starts and ends with a triggering event (Perryer & Plowman, 2011).

Generally, each turning lasts approximately twenty years, which is the average lifespan of a generation and the amount of time an individual takes to go through one entire phase of life (LifeCourse Associates, 2018). Strauss and Howe (1991) equate each of the four turnings to various seasons of history, including two extremes, i.e. the crisis equated to winter and the

awakening equated to summer. A crisis is a period of upheaval and the awakening is a period of renewal Strauss and Howe (1991). Both the crisis and awakening define how people observe historic events that radically alter their social environment (LifeCourse Associates, 2018). During a crisis, there is strong institutional order and during awakenings, individualism emerge and the institutional order is attacked by new social ideas (Strauss & Howe, 1991). The transitional periods between the crisis and awakening are the transitional seasons are described as autumn and spring (Strauss & Howe, 1991).

Generational turning based on American history

In Strauss and Howe's generational cohort theory, the first turning from 1946 to 1964 saw America's ascent as a global superpower, the emergence of strong social movements, and a period during which the middle class prospered (Hamilton & Beck, 2011).

The second turning, from 1964 to 1984, began with urban riots and protests against the Vietnam war. Feminist, environmental, and black power movements became vocal. Incidents of violent crime and family break-up increased during this time (Hamilton & Beck, 2011).

During the third turning, from 1984 to 2008, stronger individualism, celebrity scandals and a boom in stock markets were prevalent. Individuals are thought to have felt optimistic about their personal lives, but pessimistic about the USA. People expressed greater concern about increasing violence and widening inequality (Hamilton & Beck, 2011).

The advent of the fourth turning, from 2008 to possibly 2029, was characterised by the global financial meltdown and recession leading to what is argued to be the most severe global economic downturn since the Great Depression (Hamilton & Beck, 2011).

Generational cohort theory by Strauss and Howe

Organisations typically have three generations working together and each generation may have diverse expectations of what they require, Strauss and Howe (1991) proposed three distinct generational cohorts or groupings, each with specific workplace expectations and requirements; what they find intrinsically and extrinsically motivating; how they approach work; and how they prefer to be motivated (Lester, Standifer, Schultz, & Windsor, 2012). The

three generational cohorts, discussed below, are commonly used in literature and research studies:

Baby Boomers

So-called baby boomers, i.e. individuals born between 1943 and 1960 typically grew up in large families that experienced post-war consumerism and the advent of television (Strauss & Howe, 1991). These individuals witnessed the world of work change significantly, shifting from manual/industrial work to office-based work, in other words, a shift from an industrial to a knowledge economy (Haynes, 2011).

In the literature, baby boomers are characterised by being conscientious and having a strong work ethic; they expect hard work and will work hard with an expectation that it will be recognised and rewarded appropriately (Putre, 2013). Baby boomers are thought to prefer working in teams and want to be involved in the decision-making process (Haynes, 2011). It is believed that baby boomers most often value communication provided in person, i.e. face-to-face (Haynes, 2011).

Generation X

So-called Generation Xers, i.e. individuals born between 1961 and 1981, experienced the collapse of the USA's manufacturing/industrial economy and were the first generation to make use of computers in any meaningful way at school, work and at home (Strauss & Howe, 1991). It is thought that Generation X question and challenges those around them, which is believed to cause conflict with Baby boomers in particular (Haynes, 2011). Generation Xers are thought to perceive everyone in the workplace as being equal and may possibly bend the rules if justified and direct and immediate feedback on how well they are doing is often sought by Generation X (Haynes, 2011). Generation X is the first generation for which work-life balance and greater workplace flexibility became an important consideration and need (Putre, 2013).

Generation Y (Millennial)

Generation Y or millennials, i.e. individuals born between 1982 and 2004 are assumed to be the first generation to relate, in terms of their whole life since birth, to technology and high levels of diversity (Strauss & Howe, 1991). Generation Y or Millennials are thought to view work as a means to an end and may prefer to achieve a balance between work and family life over climbing the so-called corporate ladder (Haynes, 2011). Putre (2013) found that

Generation Y'ers indicated that they were driven by a search for meaning and purpose in everything that they do, even in the work that they do and career and employment decisions are driven by what meaning can be derived from it. (Putre, 2013). Millennials are further believed to have high expectations of work and are achievement and goal orientated (Haynes, 2011). Technology is used to stay connected 24/7.

Effective talent management of Generation Y employees is seen as an issue for organisations as they are experiencing challenges to recruit and retain them (Barkhuizen, 2014). The careers of Generation Y employees are often short-lived in organisations, as they typically change jobs more often than any other generation. As a result, it is important for organisations to determine how to retain them (Barkhuizen, 2014). To ensure that Generation Y employees are retained, organisations should make certain that their demands and expectations of the workplace be addressed (Haynes, 2011).

Even though extensive attention has been paid to Generation X and the Generation Y generations individually, they do share many common characteristics and are more alike than dissimilar (Westerman & Yamamura, 2007). Westerman and Yamamura (2007) indicate that for these two generations financial and work-life balance views have led to a sense of individualism. Furthermore, Generation X and Millennials (more so than Baby boomers) were found to view training and development opportunities as being important to them, most probably given where they are in their respective careers (Martins & Martins, 2014). Regarding communication, teamwork and collaboration, it was found that Baby boomers are more hands-on, whereas generation X and millennials are more likely to use social networking and computers to communicate and collaborate with one another. (Martins & Martins, 2014)

Differences in reward preferences for the three generations described above and reported in the literature, are summarised in Table 2 (see below).

Table 2

Reward preference differences between the generations reported in the literature

Generation	Preference	Studies
Baby boomers	Pay and benefits	Cennamo and Gardner (2008)
	On the job security and a stable working environment	Wong, Gardiner, Lang, & Coulon, 2008
	Flexible work schedules	(Martin & Ottemann, 2016)
Generation X	Higher salary and benefits	Wong, Gardiner, Lang, & Coulon, 2008
	Tangible rewards	Snelgar <i>et al.</i> , 2013
	Immediate and continuous feedback	Tolbize, 2008
	Flexible work arrangements, work-life balance	Snelgar <i>et al.</i> , 2013; Tolbize, 2008; Twenge, Campbell, Hoffman, & Lance, 2010; Martin & Ottemann, 2016
	Relationships with co-workers	Tolbize, 2008
	Career progression	Smola & Sutton, 2002
Generation Y (Millennials)	Base salary	Barkhuizen, 2014
	Receiving immediate performance feedback	Snelgar <i>et al.</i> , 2013; Tolbize, 2008
	Work-life balance, freedom and flexibility in their jobs	Snelgar <i>et al.</i> , 2013; Barkhuizen, 2014; Tolbize, 2008; Twenge, Campbell, Hoffman, & Lance, 2010
	Working in teams; positive role models	Reynolds, 2005; Zingheim & Schuster, 2008
	Challenge of new opportunities	Wong, Gardiner, Lang, & Coulon, 2008
	Career progression and skill development	Barkhuizen, 2014; Wong, Gardiner, Lang, & Coulon, 2008; Snelgar <i>et al.</i> , 2013

Criticism of popular generational cohort theory

One of the most common questions about generational theory is whether it is globally applicable (Codrington, 2008). Although research conducted in Europe and North America may not apply to contexts outside of America, as suggested by some authors, the adoption of American-based generational theory has become a wide-spread practice outside of America (Bussin & Van Rooy, 2014).

MacGrain Herkenhoff (2000) argue that cultural differences should be taken into consideration when designing total reward practices and policies. In support of this argument, several studies

have found that reward preferences are influenced by culture (MacGrain Herkenhoff, 2000) and various demographic variables (Moore & Bussin, 2012).

Van der Walt, Jonck and Sobayeni (2014) maintain that there seem to be generational time span differences between different countries. Typically, generations are bounded by significant events in the country or region being considered (Codrington, 2008). The Western view of generational differences, generally accepted by most countries claim that millennials are millennials wherever they are in the world i.e. regardless of their own historical context (Hole, Zhong, & Schwartz, 2010). However, this generalisation is seldom challenged or questioned (Macky, Gardner, & Forsyth, 2008).

It is argued that one cannot make a generalisation that all cultures of the world behave like mainstream Americans (Chan, 2014). Events may have an influential impact only on certain groups in a cohort, therefore, limiting the ability to compare cohort groups from different geographical locations (Cadiz, Truxillo, & Fraccaroli, 2015). Additionally, employees' needs and preferences change over time and factors such as age and culture may also affect reward preferences (Snelgar *et al.*, 2013).

It is, therefore, important that a better understanding of generational differences in any society as they are shaped by political, socio-economic and cultural events which may have had a transformative impact on a population of culture are found (Hole, Zhong, & Schwartz, 2010). Given the criticism that other parts of the world have not been influenced by the events on which commonly used generational cohort theory is based, several researchers have called for culture-specific classifications for studying generational cohorts (Chawla, Dokadia, & Rai, 2017), i.e. calling for alternative frameworks that create distinct generational cohorts within contexts outside of America.

One way in which it suggested that it be done, is to identify unique, local defining events that took place in a particular country and to show how these events distinctly influenced the generations in that country (Codrington, 2008). In an attempt to put this notion into practice, South Africa as a developing country was chosen.

Generational turnings based on South African history

In an attempt to create an alternative framework specific to the South African population and to develop a non-American generational cohort theory, South African generational cohorts were proposed based on defining historical events relevant to South Africa. A similar approach as used in constructing Strauss and Howe's generational cohort theory was used to create the South African generational groups. Each turning of the South African generational cohorts were proposed based on significant events relevant to South Africa. The proposed generational cohorts are indicated and discussed below.

1939-1959 - The Segregation Era (First turning)

The outbreak of World War II in 1939 was a disruptive factor for White South Africans as troops were sent to fight for the British side (SAHO, 2018). German National Socialism that emphasised racial superiority found favour with many White Afrikaners (i.e. White Afrikaans speaking South Africans) in the 1930's and a movement was formed by Oswald Pirow within the National Party that suggested remaking South African society along Nazi lines (SAHO, 2018).

The 1948 Election

In 1948, the governing United Party and the Herstigte Nasionale Party (HNP) entered into the general election campaign on opposite platforms (Thompson, 2000). The United Party argued that due to the influx of Africans into the cities, it was impossible to have total segregation (Thompson, 2000). The HNP's argument was different from that of the United Party, stating that total separation of the races would avert a move toward equality and the subsequent overpowering of White society by Blacks. The HNP, renamed the National Party (NP) became the ruling government until the democratic elections in 1994 (SAHO, 2018).

Apartheid

Apartheid was a philosophy supported by the then National Party (NP) government and implemented racial segregation in South Africa (SAHO, 2018). Apartheid laws forced individuals from different racial groups to live separately and develop separately. (SAHO, 2018). Apartheid, however, was introduced in a period when other countries were moving away

from similar racist policies and began the process of South Africa being isolated from the world (SAHO, 2018).

Though many significant events happened during this time, apartheid remained the central theme during this period (SAHO, 2018). This turning represents a period of oppression and racism.

1960-1979: The Apartheid Era (the second turning)

After killing 69 peaceful demonstrators at Sharpeville on 21 March 1960, and the banning of anti-apartheid parties such as the Pan-Africanist Congress (PAC), the African National Congress (ANC), and the Communist Party of South Africa. The emergence of The Spear of Nation was established in response to the Sharpeville massacre (SAHO, 2018).

During the 1960's, the government assumed control over the education of Coloured and Asian children. In 1968 Steve Biko established the exclusively Black South African Students Organisation (SASO) (Thompson, 2000). By the 1970s, authors such as Nadine Gordimer, Andre Brink and Athol Fugard were signifying the destructive effects of South African racism in their plays and novels (Thompson, 2000).

One of the first Black females, Winnie Mandela was imprisoned during this time and may have inspired Black women to stand up for their rights. A turning point during this period was when white journalists persisted until justice was found for the murder of Steve Biko (SAHO, 2018).

1980-1993: Apartheid in Crisis (the third turning)

In 1985 the Nationalist government announced a nation-wide state of emergency and the government prohibited journalists from reporting unrest (Thompson, 2000). By June 1986, some of the segregation laws and the bans on multi-racial political parties and inter-racial relationships and marriages were eliminated (Thompson, 2000).

A trigger marking the end of this turning took place in 1990 when the then President F.W. de Klerk lifted the ban on several anti-apartheid organisations, including the African National Congress (ANC), the Pan-African Congress (PAC) and released anti-apartheid activists from prison such as Nelson Mandela (SAHO, 2018). Negotiations for a peaceful settlement took place and President F.W de Klerk repealed the Group Areas Act, Land Act and Population

Registration Act, which indicated the end of many Apartheid laws that had legislated discrimination and the death penalty was also abolished (SAHO, 2018).

In 1993, the then South African President F.W de Klerk and Nelson Mandela shared a Nobel peace prize for ending Apartheid and laying the foundation for a multi-racial democracy in South Africa.

1994 and after: Post-Apartheid period (the fourth turning)

In 1994, the ANC won the first multi-racial democratic election and Nelson Mandela became South Africa's first Black president. The Democratic party replaced the National party as the official opposition (Thompson, 2000). Nine provinces are determined, the Truth and Reconciliation Commission was created, and the new Constitution was drafted and adopted in 1997 (SAHO, 2018). The so-called rainbow nation was formed at this time and became the ideal for the New South Africa.

Crime and strikes in the country escalate (Thompson, 2000) as violent protests take place in Marikana in August 2012 (SAHO, 2018).

The timeframe, turning and defining events of both the United States of America (USA) and South Africa that were specified for the purposes of the current study are summarised in Table 3.

Table 3

Categorisation of American and South African generations

America			South Africa	
Baby boomer	1943-1960	First Turning	1939-1959: The Segregation Era	First Turning
Vietnam War, Civil Rights, Space Travel. High divorce rate. Children grew up to be radicals of the 70's and yuppies of the 80's.			Outbreak of World War II The NP wins the 1948 elections and segregation is implemented. Apartheid laws implemented. People's rights to vote were removed	
Generation X	1961 to 1981	Second Turning	1960-1979: The Apartheid Era	Second Turning
Energy Crisis, Single parents, Y2K, End of Cold War, Mothers working with an increase in divorce rate. .			67 African anti-pass-law demonstrators at Sharpeville killed; African political organisations banned. South Africa becomes a republic and leaves the British Commonwealth. Nelson Mandela sentenced to life imprisonment along with other ANC and PAC leaders World's first heart transplant	
Generation Y (Millennials)	1982-2004	Third Turning	1980-1993: Apartheid in Crisis	Third Turning
Digital Media, school shootings, terrorist attacks, AIDS, 9/11 terrorist attacks. They grew up more sheltered than any other generation as parents strived to protect them Came Period of economic expansion.			Elimination of some segregation laws. Cities opened up to black traders. Journalists prohibited from reporting unrest. Anti-apartheid protests, the world stands up against apartheid. The ban on several anti-apartheid organisations lifted. South Africa rejoins the world	
Generation Z	2004 - ?	Fourth Turning	1994-: The New South Africa	Fourth Turning
Facebook/Twitter invention Cyberbullying internet-connected world			ANC wins it's first multi-racial democratic election and Nelson Mandela became the country's first black president. Nine new provinces are determined. The Truth and Reconciliation Commission is created New Constitution of the country is adopted in 1997. Crime in the country escalates	

The USA and South Africa have a different set of notable events that have shaped its history. The South African model based on historical events will be used as an alternative perspective to identify distinct generational cohorts in organisations in order to address the criticism of the applicability of the American based model.

CONCLUSION

It is argued that cultural differences should be considered when designing total reward practices (MacGrain Herkenhoff, 2000) and that events in different contexts may have a significant impact on groups of cohorts (Cadiz, Truxillo, & Fraccaroli, 2015). It is therefore important to incorporate the political, socio-economic and cultural events to better understand generational differences in any society (Hole, Zhong, & Schwartz, 2010).

Several researchers have called for culture-specific classifications or alternative frameworks that create distinct generational cohorts within contexts outside of America for studying generational cohorts (Chawla, Dokadia, & Rai, 2017). In an attempt to address the criticism that other parts of the world have not been influenced by the events of the commonly used generational cohort theory, South African political, socio-economic and cultural events was used to create a model to better understand generational differences.

CHAPTER 3

METHOD

In this chapter, the research methods employed in the present study are discussed. The choice of research design, approaches and methods are further discussed, as well as the motivation for the choices that were made. Finally, the sampling processes, measuring instruments, data collection procedure followed, realised sample, and the choice of statistical analyses are presented.

Research Design

Given the aim of the present study, an exploratory research design was deemed appropriate to investigate generational cohort theory within a non-American context as a framework with which to identify employee groups/cohorts that have distinctly different total reward preferences.

The exploratory research design is appropriate when a phenomenon under investigation has received limited attention and, therefore, to gain insight into it. For this reason, exploratory research designs are used in relatively new field of studies or topics that lack established research (Welman & Kruger, 2001). Further to the above, an exploratory design is effective in laying the groundwork that could guide future research into the topic or subject area. Thirdly, an exploratory design is flexible and dynamic (Tredoux & Durrheim, 2002).

Given the considerations provided above, an exploratory research design was deemed appropriate given the gap in the literature and a limited number of studies that are available in relation to this research question.

Taking a similar approach used to create the American based generational model, a non-American context model was created based on distinct historical events of South Africa. South Africa was chosen due to time constraint and convenience. Further, Hierarchical Cluster Analysis and Discriminant Analysis was conducted to complement the theory-driven approach and establish what insights could be gathered from the data.

Research Approach

For the purposes of the present study, it was decided that a quantitative approach would be followed. A quantitative approach is fundamentally a positivistic approach in that it observes data in the real world without interacting with it (Welman & Kruger, 2001). Quantitative research can further provide evidence for an argument and can be used to draw conclusions or inferences (Tredoux & Durrheim, 2002). Furthermore, primary quantitative data was collected by means of a field survey.

The proposed primary data collection approach can further be described as cross-sectional, i.e. collected at a given point in time and *ex post facto*.

Sampling

Given time and cost constraints, a non-probability or convenience sampling approach was utilised for the purpose of the present study. Convenient sampling involves collecting information from members of a population who are easily accessible and conveniently available to provide the required information (Salkind, 2012). Data was collected via an electronic survey sent to a convenient sample of employees, peers, colleagues, and family members and respondents were further requested to forward the survey to other employee connections.

Measuring instruments

The total reward preferences of respondents were assessed by both a reward preference questionnaire, as well as by means of choice-based modelling or choice-based conjoint-analysis. A composite electronic questionnaire was designed, which comprised of twenty-six total reward preference questions, eight conjoint tasks and a demographics section.

The total reward preference questionnaire was based on a collection of financial and non-financial reward elements and was used to assess the preference for various total reward elements using a field survey. The scale comprised of 26 questions covering six total reward elements, namely: (1) Remuneration; (2) Benefits; (3) Work-life; (4) Talent development; (5) Performance management; and (6) Recognition. Responses to each of the items were recorded using a 5-point Likert-type response-scale where 1 represented “Not at all important” and 5 “Very Important”. An example of an item that assessed reward preference is indicate on a scale from 1 to 5 how important and/or desirable Employee wellness programmes (e.g. fitness

programmes, gym membership, employee assistance programmes) are to you. A copy of the questionnaire can be found in Appendix A.

Choice-based modelling or choice-based conjoint analysis is a consumer research technique developed to provide a method for determining the comparative contributions of multiple factors to consumer satisfaction (Green & Wind, 1975). Choice-based modelling is used to determine the preferences or relative importance of attributes and levels in a manner that requires respondents to make psychological trade-offs when making a choice and so more closely replicates real-life decision-making (Green, Krieger, & Wind, 2001). Survey methods do not take psychological trade-offs into account and, therefore, do not replicate the combinations of choices and related sacrifices that people make in making a choice.

In conducting choice-based modelling, attributes and levels need to be chosen. An attribute is the general feature of a service or product. Each attribute further comprises a number of levels (www.dobney.com), that is a specific value describing an attribute. In choice-based modelling, conjoint tasks are presented to respondents, i.e. random combinations of attribute and level descriptions and respondents are required to choose one of the combinations or none at all (a hold-out option).

By completing several conjoint tasks, the utility of each level can be determined. Utility refers to how valuable each of the levels are for the respondent (Green & Srinivasan, 1978). Part-worths are then estimated using Bayesian estimation and is an estimation of the utility an individual attaches to each level of each attribute i.e. the importance weights given their overall estimations of a set of alternatives that are pre-specified in terms of levels of different attributes (Green & Srinivasan, 1978).

For the purposes of the present study, total reward elements were chosen as attributes and levels for each total reward element (attribute) were specified. The choices of attributes and levels were informed by current total reward models i.e. total reward elements most often provided to employees. The choice-based modelling analysis provided an estimation of each respondent's reward preference for each reward element.

The PreferenceLab software program (Eggers, 2015) was used to conduct choice-based modelling and estimate utilities. Once the attributes and levels were coded in the software, each respondent received a set of randomly generated conjoint tasks that each required the

respondent to choose between one of three randomly generated combinations of attribute levels, as well as a hold-out option.

The attributes and levels that were specified for the purposes of the current study are summarised in Table 4.

Table 4

Selected attributes and levels utilised for Choice-based modelling

Attribute	Level 1	Level 2	Level 3
Remuneration (pay)	Well-above market-related salary + 13 th cheque + annual performance bonus	Market-related (average) salary + a 13 th cheque	Below market-related salary. No bonuses
Benefits	Well-above market-related contribution to employee benefits	Average (market-related) contribution to employee benefits	No employee benefits
Work-life	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Some support for family commitments of employees (e.g. flexible work hours, time off for family commitments)	No support for the family commitments of employees. Not a family-friendly organisation
Talent development	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	In-house learning and development opportunities (company training courses)	On the job training by supervisors/managers
Performance Management	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals	Have a job description available and annual performance appraisal with manager/supervisor.	Ambiguous goals/expectations; no job description available. Poor or limited performance management by supervisors/managers.
Recognition	Regular formal and informal recognition of effort/accomplishments (certificates of excellence, on the spot rewards, CEO dinners, paid for holidays)	Formal recognition of extraordinary accomplishments (e.g. employee of the month)	No recognition of efforts/accomplishments by supervisors/managers

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

A copy of a conjoint task, as was presented to the respondents, can be found in Appendix B. The final section of the questionnaire consisted of questions that collected data in relation to age, gender, designated employment group, country, employment status, career position, the industry the participant works in, the participant's marital status, dependant status and the age of the dependants.

Data Collection Procedure

The questionnaire, as described above, was designed with the PreferenceLab software. An electronic mail (e-mail) that contained the URL to the questionnaire, a cover letter in which the aim of the study and informed consent was provided, as well as the contact details of the researchers was distributed (see Appendix C). The same cover letter was used for the landing page of the electronic survey i.e. once the hyperlink was followed (Appendix D).

Instructions for the completion of the questionnaire were provided at the beginning of each section. A lucky draw for two retail vouchers to the value of R500 each was provided to incentivise respondents. To participate in the lucky draw, respondents could voluntarily provide their e-mail address once they had submitted the questionnaire. The e-mail address was not linked to the responses and was stripped from the code book. The e-mail address was only used for the purpose of the lucky draw and kept confidential.

The survey took about 15 minutes to complete and a progress bar was included throughout the survey so that respondents could monitor their progress in the questionnaire, which was included to assist in reducing respondent fatigue (Appendix E).

The electronic mail described above was sent to a convenient sample of employees, peers, colleagues, and family members. Permission to conduct the research was obtained within a branch in the Department of the Premier. The majority of respondents were employed in the public sector within the Western Cape Government and came from this source. Respondents were further requested to forward the survey to other employee connections that they deemed would be appropriate for the purposes of the present study. This type of sampling method is called snowball sampling i.e. where the survey was spread by several different sources who continued to spread the survey (Salkind, 2012). Data was collected for a period of 6 weeks and included a reminder that was sent out one week after the first request and two weeks after the first reminder.

Ethical considerations

All the relevant ethical considerations were presented in the cover-letter. Participation was voluntary and respondents were informed that all responses are confidential and will only be used for the purposes of this research. The present research study and questionnaire was further approved by the University of Cape Town's Commerce Faculty Ethics in Research Committee (Commerce EiRC).

Realised sample

A sample of 169 responses was received and the realised sample is summarised below. Table 5 (see below) provides an overview of the nationality, gender and age of the respondents.

Table 5

Biographical information of sample (n=169)

Nationality	Frequency	Percent
South African	169	100.0%
Gender		
Female	116	68.6%
Male	53	31.4%
Age		
54 to 69	19	11.2%
38 to 53	75	44.4%
24 to 37	75	44.4%
Marital status		
Divorced	10	5.9%
Married	102	60.0%
Single	50	29.4%
Widowed	1	0.6%
Prefer not to disclose	7	4.1%
Dependents		
Yes	97	57.4%
No	64	37.9%
Prefer not to disclose	8	4.7%
Racial classification		
Asian	1	0.6%
Black African	16	9.5%
Coloured	76	44.8%
Indian	9	5.3%
White	54	31.8%
Prefer not to disclose	12	7.4%
Other	1	0.6%
Educational level		
Grade 12	19	11.2%
National Diploma	37	21.9%
Degree	29	17.2%
Honours/PG Diploma	48	28.4%
Masters' Degree	34	20.1%
Doctorate	2	1.2%
Area		
Rural	8	4.7%
Urban	161	95.3%
Employment status		
Freelance	4	2.4%
Full-time	156	92.3%
On contract	7	4.1%
Not employed	2	1.2%
Job level		
Non-managerial/non-supervisory	53	31.4%
Specialist	36	21.3%
Supervisor/Team Leader	24	14.2%
Middle Management	44	26.0%
Senior Management	9	5.3%
Executive	3	1.8%
Industry		
Construction	2	1.2%
Finance and Insurance	10	5.9%
Government and public administration	107	63.3%
Information technology	1	0.6%
Retail	15	8.9%
Other	34	20.1%

According to (Statistics South Africa, 2018), the Black African population is in the majority and comprises of approximately 81% of the total South African population, followed by the Coloured population at 8.8% of the population and the White population comprises of 7.8% of

the population of the country. The biographical information collected from the realised sample differs from the national population statistics, however, it is reflective of the Western Cape provincial statistics, according to (Statistics South Africa, 2016).

According to Statistics South Africa (2016), the majority of the population in the Western Cape province is Coloured at 47.5%, followed by Black Africans comprising of 35.7% and then White at 16%. As the study was conducted in the Western Cape, it is expected that the majority of respondents to be Coloured. The majority of respondents were further female, which can be expected as over 51% of the South African population is female. The majority of respondents attained a qualification post matric (88.8%) which is above the education statistics of the country. This is most probably a feature of the method by which data was collected (using an online survey) and the organisation that was targeted.

The fact that the study aimed to investigate total reward preferences, does however, suggest that the sample was appropriate in that respondents are based on knowledge workers in a knowledge-based economy. The realised sample is deemed an appropriate sample to draw inferences from to address the research question.

Statistical Analysis

The data collected by means of the reward preferences questionnaire was cleaned and the construct validity and reliability assessed using Principal Components Analysis (PCA) and the SPSS item analysis procedure, respectively. Composite scores for total reward element preferences were summarised using descriptive statistics, followed by calculating inferential statistics, including t-tests and Analysis of Variance (ANOVA). Hierarchical Cluster Analysis was used to identify group membership based on the variables, followed by Discriminant Analysis to validate the grouping i.e. confirm the results obtained in the Cluster Analysis. Lastly, the choice-based modelling questionnaire was analysed using the PreferenceLab software (Eggers, 2015).

The utilities of the estimation process were the core components of the analysis by which the relative attractiveness of each reward element was determined. The utilities were calculated using the Hierarchical Bayes estimation (HB) statistical interference technique. HB offers a very robust way of using information from each respondent in the data set to increase the accuracy of each individual's part-worths (Orme, 2009). HB analyses presume that the

respondents' preferences are connected by a common multivariate normal distribution (Eggers & Sattler, 2011) that is characterised by a sequence of means and covariances (Orme, 2000). As a starting point, initial estimates of part-worths are estimated for each respondent and new estimates are updated using an iterative process called Gibbs sampling (Orme, 2000). With every iteration, an estimate is made for each parameter by making a random draw from each conditional distribution. After numerous iterations, this process converges to correct estimates for each parameter (Orme, 2000).

CONCLUSION

This chapter summarised the research methodology, research approach, sampling procedure the measuring instruments, the data collection procedure and statistical analysis. Overall, the research methodology provided a clear direction for the research and assured that the research process would address the research objectives. The results of the study are presented in the following chapter.

CHAPTER 4

RESULTS

The results of the statistical analyses that were conducted on the data collected, is presented and summarised in this chapter. The findings of the validity and reliability studies of the total rewards preference sub-scales are further provided here, as well as the descriptive statistics that were calculated for each composite score. To assess the unidimensionality of each sub-scale, Principal Components Analysis (PCA) was used to assess the factor structure or measurement model and Cronbach alpha coefficients were calculated to assess internal consistency. Descriptive statistics were calculated for each of the composite scores to summarise the data. A one-way Analysis of Variance (ANOVA) was used to assess group differences in total reward preferences based on popular generational theory and also for the groupings that were based on the South African generations that were proposed above, as factor or grouping variables. Data-driven exploratory analysis i.e. Hierarchical Cluster Analysis and Discriminant Analysis was conducted to complement the theory-driven approach and establish what insights could be gleaned from the data. Finally, the data obtained from respondents that completed the conjoint tasks were analysed using conjoint analysis to estimate the relative attribute importance for each of the total reward element for various employee groupings.

Assessing Unidimensionality

Principal components analysis (PCA) was used to determine the underlying factor structure of items in each sub-scale to assess its construct validity. PCA is a dimensionality reduction technique and is an ideal method for capturing the variability of data (Field, 2009). Internal consistency, i.e. reliability was further assessed by calculating Cronbach's Alpha coefficient and using the SPSS item analysis procedure.

As suggested above, Principal Components Analysis (PCA) was used to assess the construct validity of each of the seven sub-scales of the reward preference questionnaire, i.e. the sub-scales that were meant to measure the preference for each of the seven total reward preferences. Before conducting PCA analyses, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Barlett's Test of Sphericity were calculated. KMO is used to determine if the patterns of correlations are focused enough to ensure that the components are distinguishable from each other (Field, 2009). To indicate the factorability of the data, it is recommended that KMO be larger than .70 (Leech, Barrett, & Morgan, 2005), whilst some authors suggest values

greater than 0.5 being acceptable (Field, 2009). The Barlett’s Test of Sphericity measures whether there are significant correlations between variables (Field, 2009). According to Field (2009), to indicate the factorability of the data Bartlett’s test of Sphericity should be significant (i.e. $p < .05$).

The KMO and Barlett’s Test results, based on the data collected for each of the sub-scales of the total rewards preferences questionnaire, are each summarised in Table 6 (see below).

Table 6

KMO and Barlett’s Test results (n=169)

Reward element	Kaiser-Meyer-Olkin (KMO)	Barlett’s Test of Sphericity
Remuneration (pay)	.731	$p < .05$
Benefits	.555	$p < .05$
Work-life	.608	$p < .05$
Talent development	.756	$p < .05$
Recognition	.500	$p < .05$
Organisational culture	.569	$p < .05$

The KMO values for each of the sub-scales were above the factorability guideline (i.e. >0.5) and this conclusion was further supported by the Bartlett’s tests being found to be statistical significant ($p < .05$). The data was, therefore, considered to be appropriate for Factor Analysis (FA).

Factor loadings are the strength of each variable in defining the factor. Factor loadings of above 0.4 are considered a salient factor (Miller, Acton, Fullerton, & Maltby, 2002). The component matrix for each reward elements was assessed to ensure that all factor loadings were above the guideline (i.e. greater than 0.4) and are each presented below.

Table 7.1

Component matrix for Factor Analysis of remuneration (n=169)

Remuneration	Component 1
Short term performance bonuses on individual performance	.767
Well above market related salary	.713
Short term performance bonuses on team performance	.712
Long term retention bonuses	.688
Competitive market related salary	.460
Eigenvalue	2.289
Percentage Variance	45.77%

Extraction Method: Principal Component Analysis
1 components extracted with an Eigenvalue greater than 1

Table 7.2

Component matrix for Factor Analysis of benefits (n=169)

Benefits	Component 1
Study leave to further your studies	.787
Employee wellness programmes	.757
Financial risk related benefits	.524
Eigenvalue	1.466
Percentage Variance	48.88%

Extraction Method: Principal Component Analysis

1 components extracted with an Eigenvalue greater than 1

Table 7.3

Component matrix for Factor Analysis of recognition (n=169)

Recognition	Component 1
Regular provision of non-financial awards	.839
Contributions are valued and regularly recognised	.839
Eigenvalue	1.408
Percentage Variance	70.40%

Extraction Method: Principal Component Analysis

1 components extracted with an Eigenvalue greater than 1

Table 7.4

Component matrix for Factor Analysis of organisational culture (n=169)

Organisational culture	Component 1
Team building and social networking activities	.707
Being provided extensive support from supervisor	.643
Being challenged in your job	.634
An organisational culture that respects personal differences	.521
Having friends at work	.480
Eigenvalue	1.816
Percentage Variance	36.33%

Extraction Method: Principal Component Analysis

1 components extracted with an Eigenvalue greater than 1

Table 7.5

Component matrix for Factor Analysis of talent development (n=169)

Talent development	Component 1
Career development opportunities	.797
Being mentored by senior colleagues	.783
Learning opportunities related to current job	.763
Being coached by an external business coach	.702
Rotating between different jobs	.618
Eigenvalue	2.707
Percentage Variance	54.12%

Extraction Method: Principal Component Analysis

1 components extracted with an Eigenvalue greater than 1

Table 7.6
Component matrix for Factor Analysis of work-life (n=169)

Work-life	Component 1
Flexible working hours	.859
Flexible work arrangements	.803
Work and personal life balance	.727
Having a manageable workload	.321
Eigenvalue	2.013
Percentage Variance	50.34%

Extraction Method: Principal Component Analysis
 1 components extracted with an Eigenvalue greater than 1

Cronbach alpha coefficients was computed for each total reward element preference sub-scale, i.e. separately. Some of the Cronbach alpha coefficients did not reach the .70 guideline. However, if a scale consists of few items (3 items in this instance), lower alphas between the .60 to .69 range are acceptable given that the Cronbach alpha coefficient formula is sensitive to number of items (Leech, Barrett, & Morgan, 2005). Table 8 (see below) summarises the Cronbach alpha coefficients that were calculated for each sub-scale.

Table 8
Cronbach's alpha coefficient for total reward element preferences (n = 169)

Attribute	Number of items	Cronbach's alpha
Remuneration	5	.71
Benefits	3	.47
Recognition	2	.54
Talent development	5	.76
Organisational culture	5	.54
Work life	4	.64

*The Cronbach alpha coefficient for Performance management could not be computed as this attribute contained only 1 item

Based on the basket of evidence presented above, the total reward element sub-scales were considered to be unidimensional, i.e. valid and reliable.

Descriptive statistics for the Total Rewards Questionnaire

Given that satisfactory psychometric properties, i.e. validity and reliability were revealed, composite mean scores for each total reward element preference were calculated. Table 8 provides a summary of the descriptive statistics for each of the total reward element sub-scales. The reward elements were measured on a five-point Likert-type scale with 5 indicating the highest score, 3 indicating the midpoint and 1 indicating the lowest score.

Table 9

Descriptive statistics for reward element preferences

Reward element preference	n	Min	Max	Mean	Std. Dev.	Skewness	Kurtosis
Remuneration	167	2	4	3.36	.52	-.76	-.19
Benefits	169	2	4	3.42	.56	-.76	-.33
Recognition	167	1.50	4	3.19	.67	-.49	-.45
Talent development	168	1.75	4	3.22	.61	-.53	-.80
Organisational culture	169	2.20	4	3.17	.46	-.14	-.47
Work life	166	2	4	3.56	.48	-1.07	.30
Performance management	165	2	4	3.52	.69	-1.13	-.01

The descriptive statistics indicated that the overall sample had relatively similar scores on all reward preference elements and perceived the reward elements to be particularly attractive. All reward preference elements had a negative skew distribution, indicating a long tail to the left. This indicates that the majority of the sample had relatively higher levels of preference for the elements. This is a challenge when using surveys as a mean of data collection as it can fail to measure the true preferences of respondents and items are answered one at a time and in isolation from other items.

Figure 1-1 provides graphical representations of the means and distribution of the data for all variables, i.e. total reward element sub-scale.

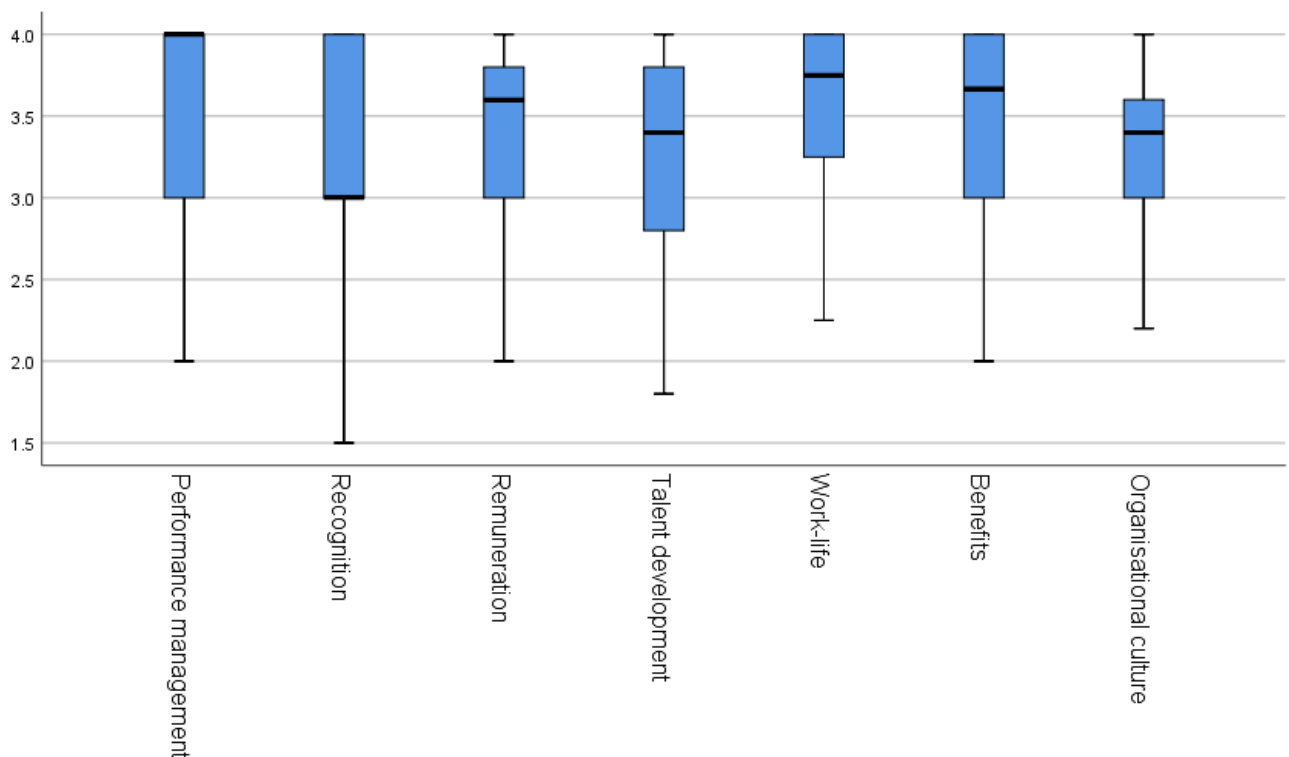


Figure 1-1. Boxplot of the distribution of preference for reward elements

The results indicated that the overall sample had relatively similar scores. The range of scores on organisational culture were very small and more respondents rated remuneration and work life as an important reward elements.

Figure 1-2 provides graphical representations of the means and distribution of the data for remuneration.

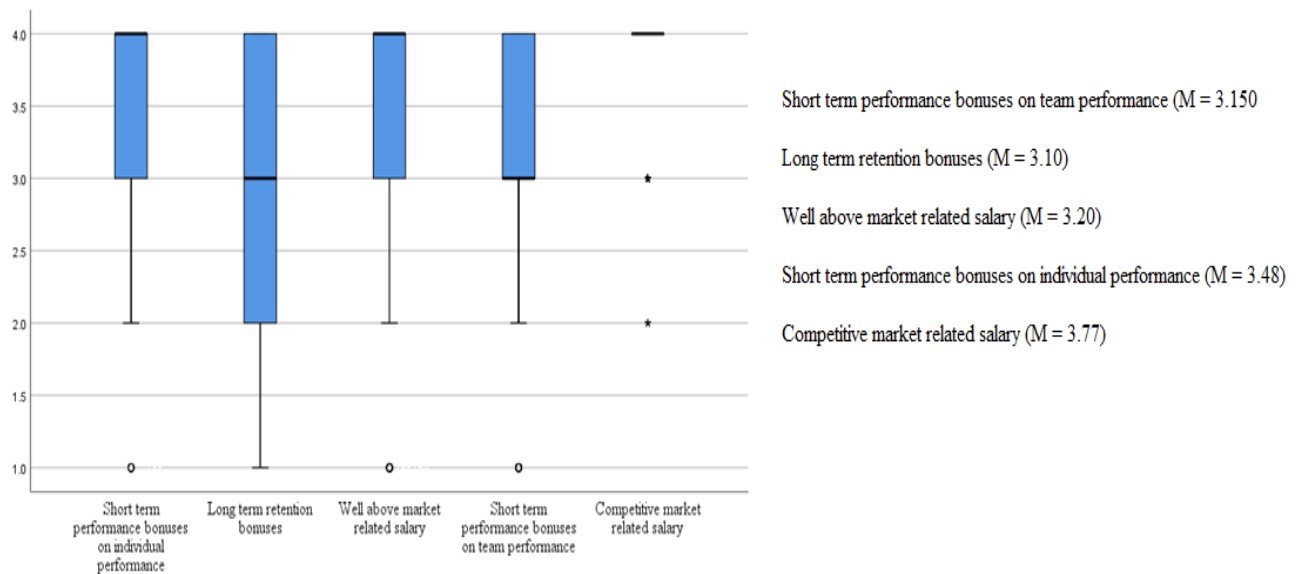


Figure 1-2. Boxplot of the distribution of preference for remuneration

The results indicated that the overall sample had relatively similar scores for short term performance bonuses on team performance, well-above market related salary and short-term performance bonuses on individual performance. There appears to be a larger variability of scores for long term retention bonuses. Most respondents indicated a competitive market related salary as a very important reward element.

Figure 1-3 (see below) provides graphical representations of the means and distribution of the data for benefits.

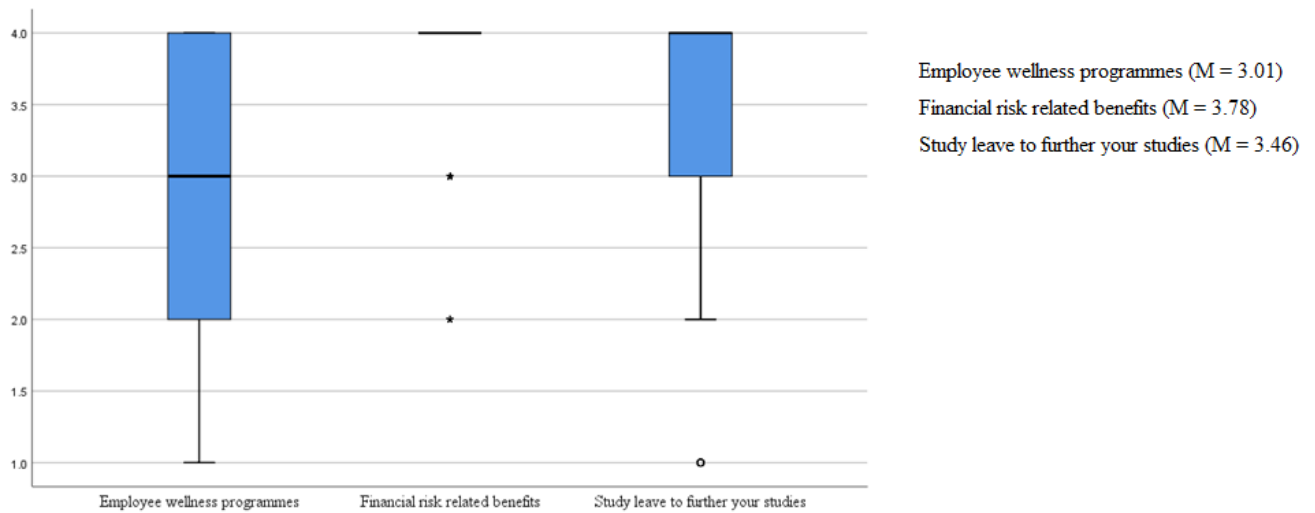


Figure 1-3. Boxplot of the distribution of preference for benefits

The results specified that the majority of respondents indicated a strong preference for financial risk related benefits.

Figure 1-4 provides graphical representations of the means and distribution of the data for recognition.

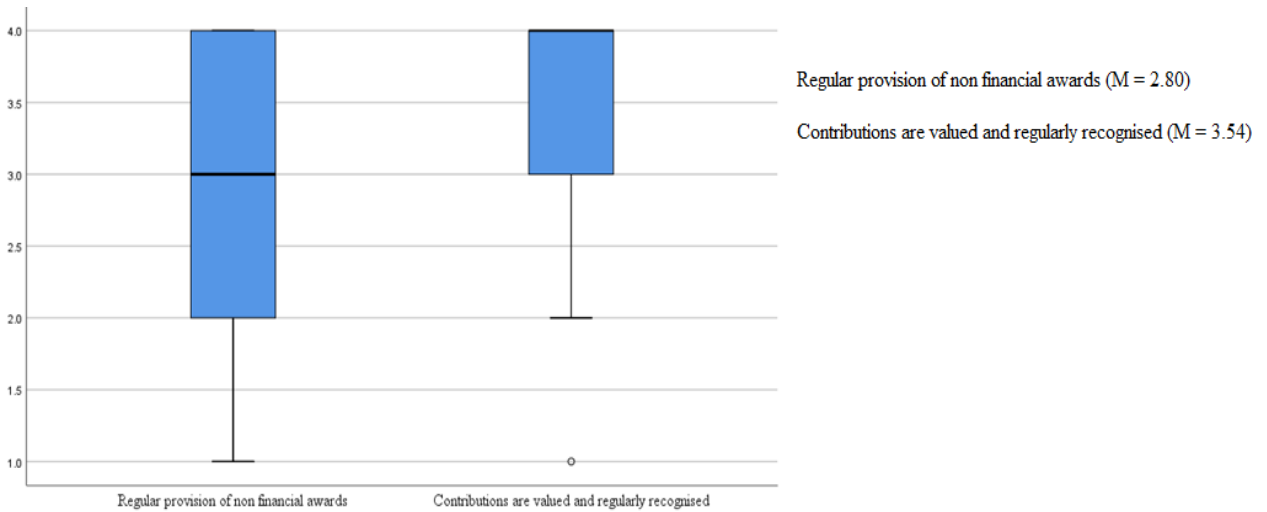


Figure 1-4. Boxplot of the distribution of preference for recognition

The results indicated that the overall sample viewed contributions are valued and regularly recognised as more important than regular provision of non-financial awards. The range of scores for regular provision of non-financial awards were fairly spread across the sample and appears to have larger variability than contributions are valued and regularly recognised.

Figure 1-5 provides graphical representations of the means and distribution of the data for talent development.

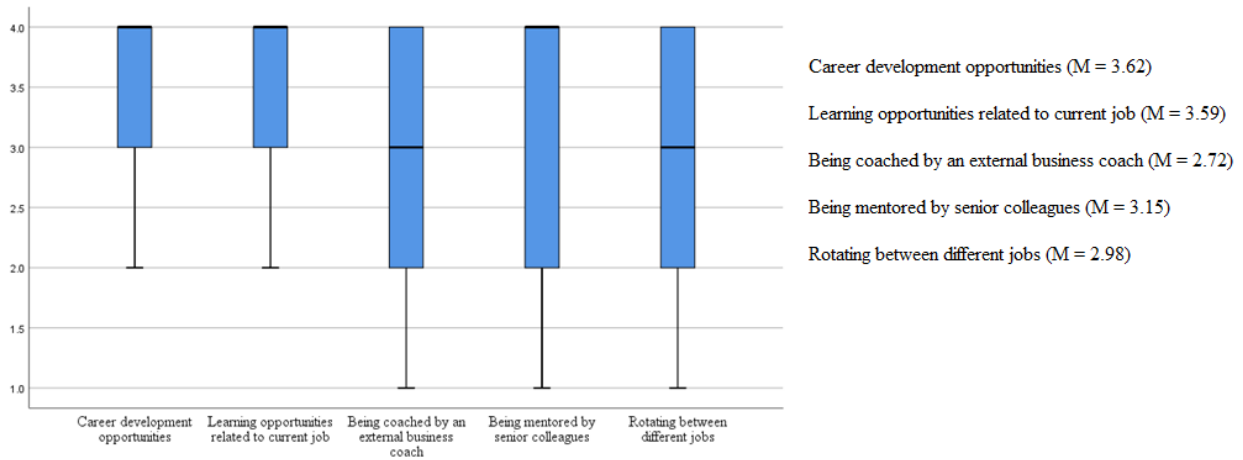


Figure 1-5. Boxplot of the distribution of preference for talent development

The results indicated that career development opportunities and learning opportunities related to current job were more valued by the respondents. Being coached by an external business coach, being mentored by senior colleagues and rotating between different jobs appears to have larger variability than the rest of the reward statements.

Figure 1-6 provides graphical representations of the means and distribution of the data for organisational culture.

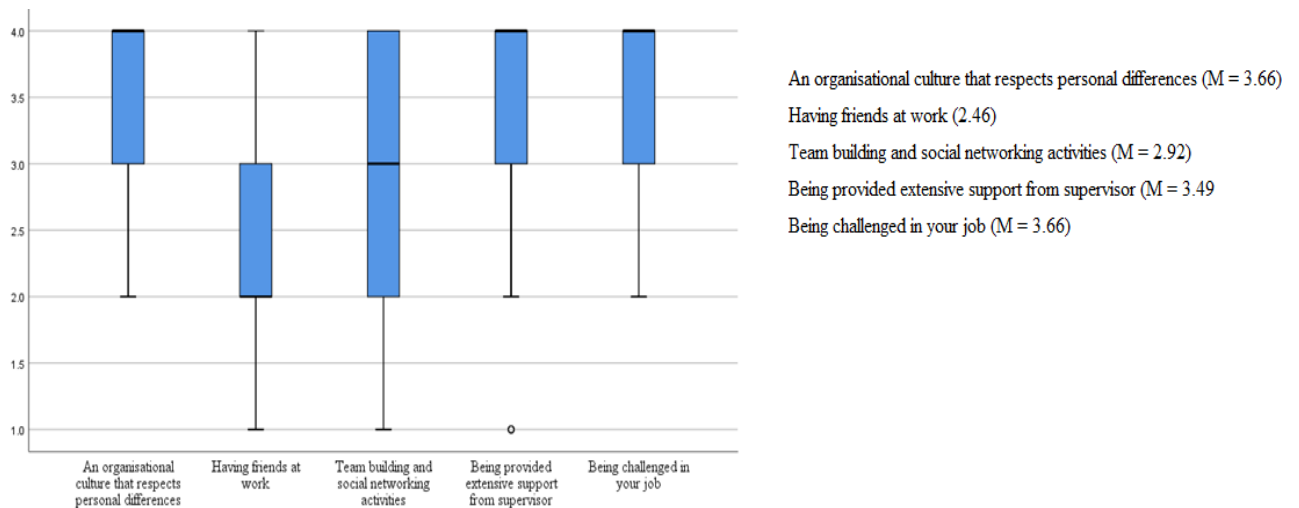


Figure 1-6. Boxplot of the distribution of preference for organisational culture

The results indicated that having friends at work were not as valued as the other statements in the reward element. Team building appears to have larger variability than the rest of the reward statements.

Figure 1-7 provides graphical representations of the means and distribution of the data for work life.

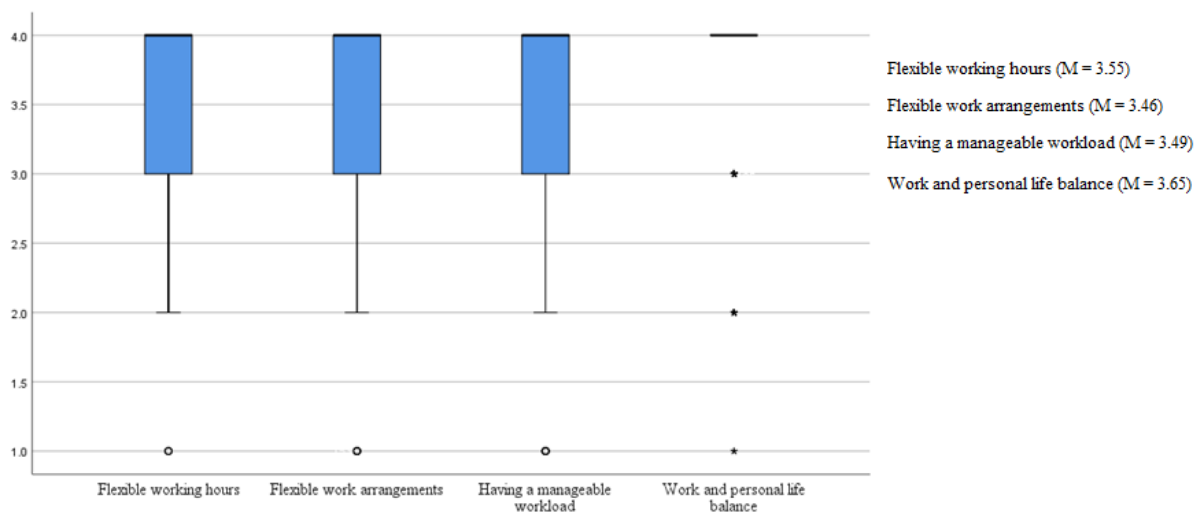


Figure 1-7. Boxplot of the distribution of preference for work life

The results indicated that work and personal life balance was more valued by the respondents and similar importance was placed on flexible working hours, flexible work arrangements and having a manageable workload.

Factorial analysis of variance for generations used in the current generational theory

One-way Analysis of Variance (ANOVA) was used to assess group differences in total reward preferences using current generational theory and the constructed South African generations as factor or grouping variables. ANOVA is appropriate for designs that have one continuous independent variable, i.e. total reward preferences in this instance for more than two groups (Tredoux & Durrheim, 2002).

The results of the ANOVA indicated that no statistically significant differences ($p < 0.05$) between group differences were revealed, i.e. the mean score for each for the total reward element preferences based on the creation of sub-samples using the American generational model and the proposed age categories that were developed and is based on South African historical events. The results are summarised in Table 10 and 11.

Table 10

Results of ANOVA for total rewards preferences across USA-based Generations (n=169)

Reward attribute	preference	Sum of Squares	df	Mean Square	F	p value
Performance management	Between Groups	.007	2	.003	.007	.993
	Within Groups	77.120	162	.476		
Recognition	Between Groups	.711	2	.355	.790	.455
	Within Groups	73.715	164	.449		
Remuneration	Between Groups	.697	2	.348	1.306	.274
	Within Groups	43.740	164	.267		
Talent development	Between Groups	.631	2	.315	.834	.436
	Within Groups	62.399	165	.378		
Work life	Between Groups	1.288	2	.644	2.857	.060
	Within Groups	36.735	163	.225		
Benefits	Between Groups	.061	2	.031	.095	.909
	Within Groups	53.333	166	.321		
Organisational culture	Between Groups	.667	2	.334	1.602	.205
	Within Groups	34.552	166	.208		

Table 11

Results of ANOVA for total rewards preferences across SA Generations (n=169)

Reward attribute	preference	Sum of Squares	df	Mean Square	F	p value
Performance management	Between Groups	.488	3	.163	.342	.795
	Within Groups	76.640	161	.476		
Recognition	Between Groups	1.022	3	.341	.757	.520
	Within Groups	73.403	163	.450		
Remuneration	Between Groups	.238	3	.079	.293	.831
	Within Groups	44.199	163	.271		
Talent development	Between Groups	1.258	3	.419	1.113	.345
	Within Groups	61.771	164	.377		
Work life	Between Groups	1.343	3	.448	1.977	.120
	Within Groups	36.680	162	.226		
Benefits	Between Groups	.365	3	.122	.379	.768
	Within Groups	53.028	165	.321		
Organisational culture	Between Groups	.667	2	.334	1.602	.205
	Within Groups	34.552	166	.208		

No support for between group differences were found, i.e. sub-samples that were based on the two frameworks as none of the p-values were found to be significant (i.e., $p < 0.05$). The mean scores for both frameworks were similar – somewhat numerically different, but not statistically significantly different from one another.

Data-driven exploratory analysis

Given that no support for between group differences were found in the reward preference scores, i.e. for groups based on the two frameworks, exploratory or data-driven approaches were employed. For this purpose, Hierarchical Cluster Analysis and Discriminant Analysis

were chosen as data-driven techniques that could be used to generate groups based on variables in the data.

The primary purpose of Hierarchical Cluster Analysis is to create homogeneous clusters by integrating cases together one at a time in a sequence of steps to create groups with the highest internal homogeneity (i.e. within groups) and highest external heterogeneity (i.e. between groups) (Yim & Ramdeen, 2015). Hierarchical Cluster Analysis splits each case into individual clusters in the first step so that the initial number of clusters equals the total number of cases. At following steps, similar clusters or cases are merged until every case is grouped into one single cluster (Yim & Ramdeen, 2015).

Discriminant Analysis classifies new cases into groups that have been previously identified based on specific criteria (Yim & Ramdeen, 2015) and is used to determine which variables distinguish between two or more logically occurring groups (Lix & Sajobi, 2010).

Hierarchical Cluster Analysis

As suggested above, Hierarchical Cluster Analysis was conducted to identify distinct clusters of reward preference data to identify distinct groupings of respondents. The groups that emerged and that were obtained using Hierarchical Cluster Analysis were then investigated further using Discriminant Analysis.

Hierarchical Cluster Analysis clusters variables together in a manner that is similar to factor analysis (Cornish, 2007). Similarly, Hierarchical Cluster Analysis follows three basic steps, in other words, 1) calculate the distances, 2) link the clusters and 3) choose a solution by selecting the right number of clusters (Cornish, 2007).

Firstly, the squared Euclidian distance between the cases was computed. The squared Euclidian distance increases the importance of large distances while weakening the importance of small distances. (Wuensh, 2016). When using the Euclidean distance, changing the scale will affect the distance between respondents (Cornish, 2007).

Within Hierarchical agglomerative methods, the Ward's method was used for the purposes of the present study. In this method, all possible pairs of clusters are combined and the sum of the squared distances within each cluster are calculated and is then summed over all clusters

(Cornish, 2007). The combination that gives the lowest sum of squares is chosen (Cornish, 2007). The coefficient in the agglomeration schedule specifies the distance between clusters that have been combined at each specific step in the hierarchical clustering procedure (Anglim, 2007). The coefficients for each of the 147 stages reported in the agglomeration schedule were considered and working back from the 147th stage, the size of the differences between coefficients were calculated. The agglomeration coefficient is an indicator of how far the agglomeration algorithm must reach to merge an existing cluster with the next closest cluster (Garson, 2014).

Non-hierarchical methods (k-means) Cluster Analysis is a partitional clustering approach, where each cluster is associated with a centroid (i.e., center-point). Each center-point is assigned to the cluster with the closest centroid and the number of clusters are to be specified (Zhang, 2017).

Given the results of the Hierarchical Cluster Analysis, three clusters were specified after nine (9) iterations. The final cluster centers were computed as the mean for each reward element within each final cluster and reflect the characteristics of the typical case for each cluster (Table 12).

Table 12

Final Cluster Centers

	Cluster		
	1	2	3
Number of cases	40	90	39
Performance management	2.53	3.87	3.73
Recognition	2.61	3.60	2.87
Remuneration	2.92	3.60	3.25
Talent development	2.90	3.61	2.66
Work life	3.31	3.77	3.33
Benefits	3.07	3.77	2.98
Organisational culture	2.95	3.51	2.95

The ANOVA table (Table 13 below) indicates which variables contribute the most to the cluster solution (Cornish, 2007). Variables with large *F* values provide the greatest separation between the clusters. From the ANOVA table, we can learn whether all variables should be

introduced in cluster analysis as the p-value is less than .05. Performance management appears to provide the biggest separation between the clusters.

Table 13

Results of ANOVA for clusters

	Cluster Mean Square	df	Error Mean Square	df	F	Sig.
Performance management	24.97	2	.168	162	148.926	p < .05
Recognition	15.95	2	.259	164	61.516	p < .05
Remuneration	6.52	2	.191	164	34.090	p < .05
Talent development	14.80	2	.203	165	73.094	p < .05
Work life	4.09	2	.183	163	22.400	p < .05
Benefits	11.63	2	.182	166	64.071	p < .05
Organisational culture	6.61	2	.132	166	49.915	p < .05

Figure 2-1 provides a graphical representation of preferences across all three clusters

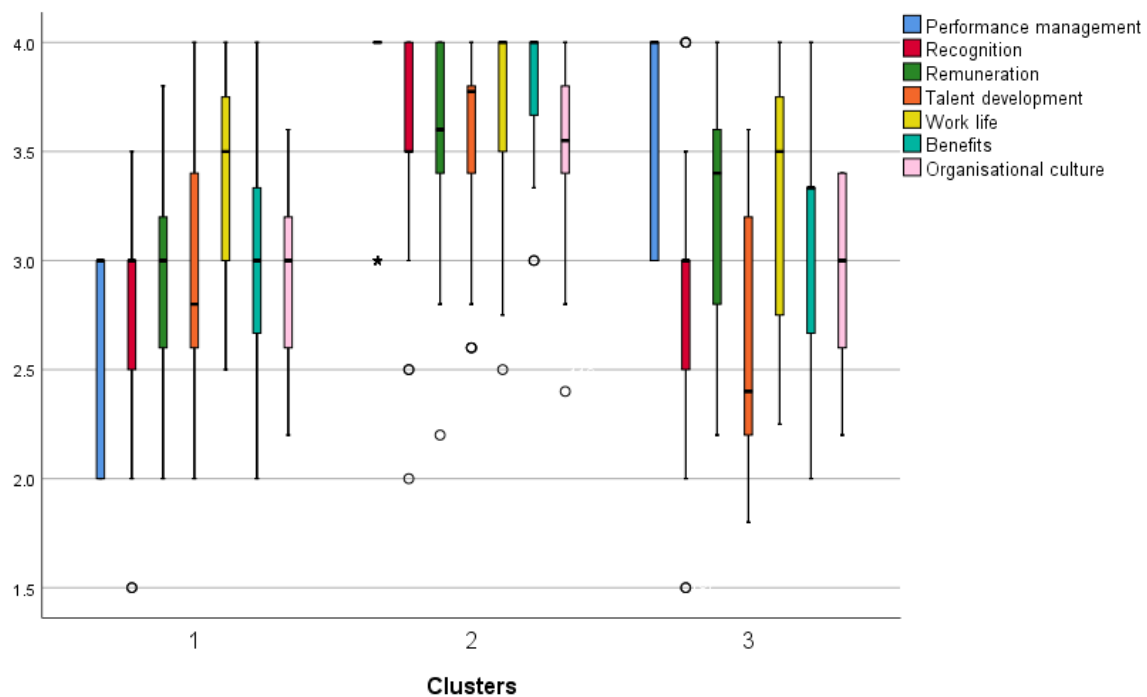


Figure 2-1. Boxplot of reward preference for all three clusters

The results in Figure 2-1, indicated that cluster 2 placed higher importance on all reward elements. The range of responses for cluster 1 and 3 were fairly spread across the respondents.

Figure 2-2 provides a graphical representation of preferences for cluster 1

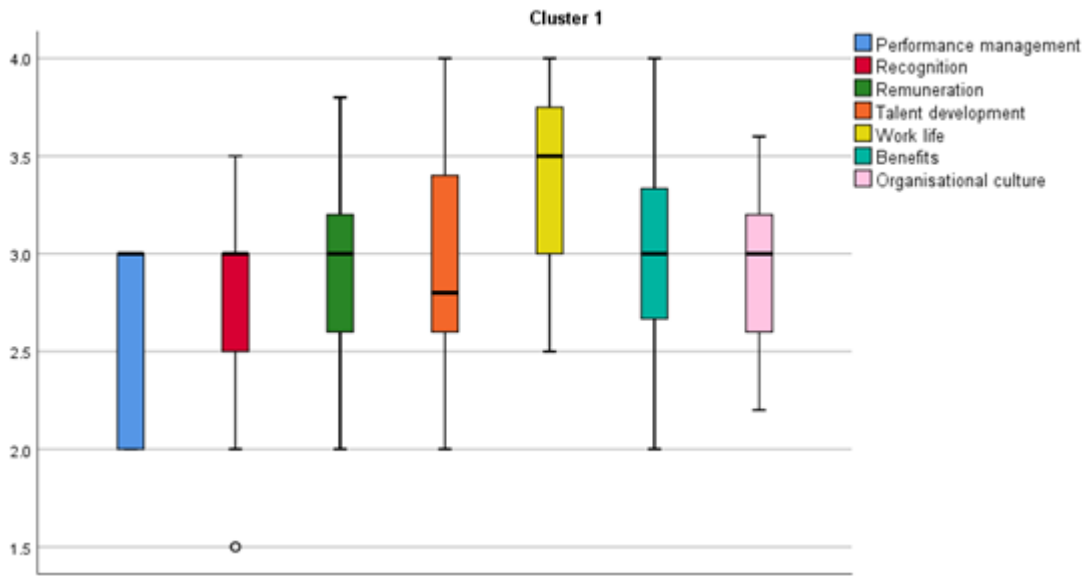


Figure 2-2. Boxplot of reward preference for cluster 1

In Figure 2-2 above, Talent development is positively skewed which indicates a higher frequency of high valued scores. Remuneration, work life and organisational culture is negatively skewed which indicates a higher frequency of low valued scores.

Figure 2-3 provides a graphical representation of preferences for cluster 2.

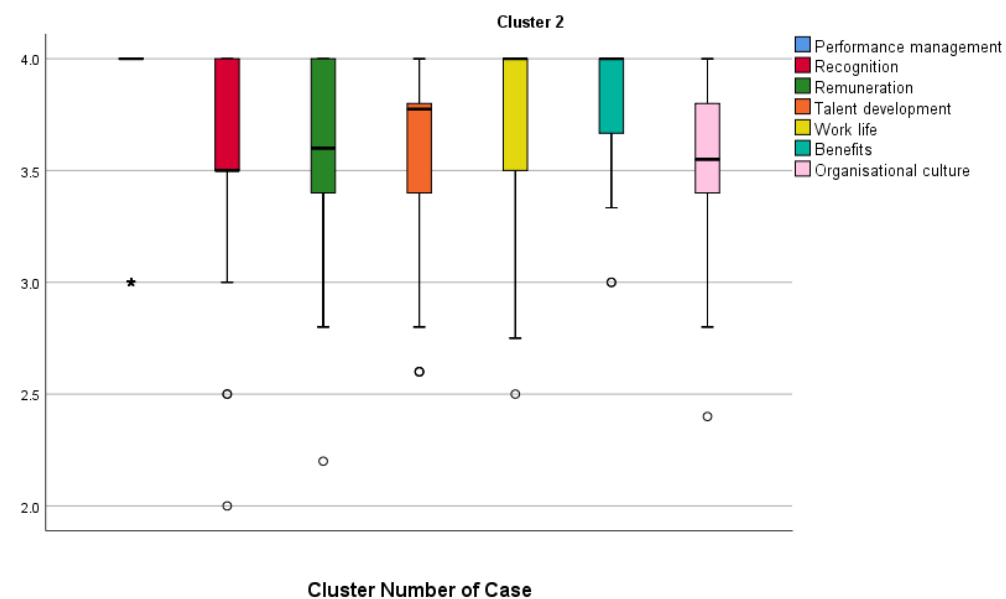


Figure 2-3. Boxplot of reward preference for cluster 2

In Figure 2-3, Talent development is negatively skewed which indicates a higher frequency of low valued scores. The spread of scores on benefits are smaller which indicates that the majority of the respondents viewed benefits as an important reward element.

Figure 2-4 provides a graphical representation of preferences for cluster 3

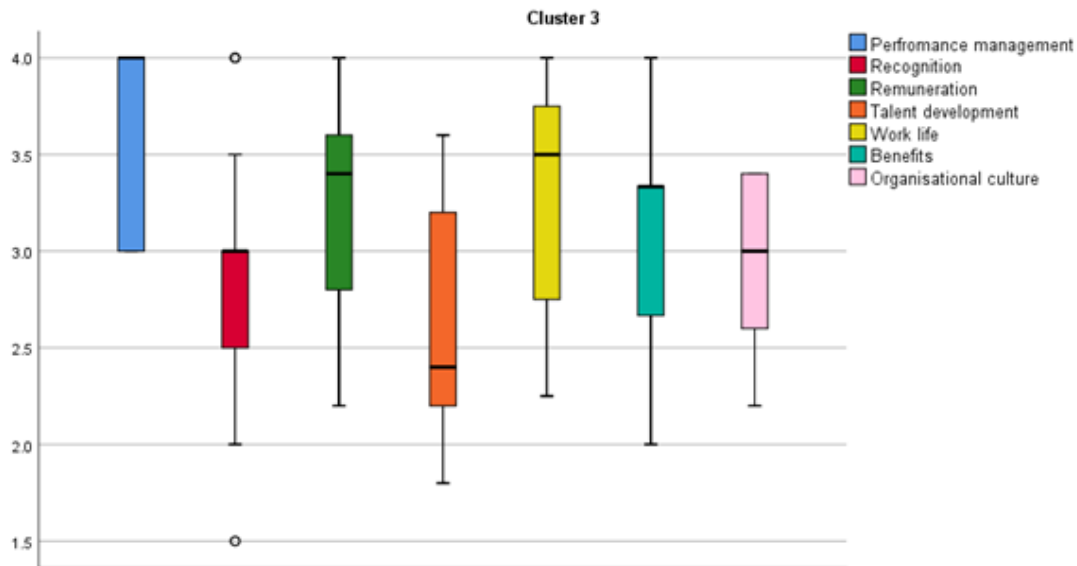


Figure 2-4. Boxplot of reward preference for cluster 3

Talent development is positively skewed which indicates a higher frequency of high valued scores. Remuneration and work life is negatively skewed which indicates a higher frequency of low valued scores.

Table 14

Descriptive statistics for reward element preferences for clusters

Reward element preference	Cluster	n	Min	Max	Mean	Std. Dev.
Remuneration	1	39	2	3.80	2.92	.50
	2	90	2.20	4	3.60	.35
	3	38	2.20	4	3.25	.53
	Total	167	2	4	3.36	.51
Benefits	1	40	2	4	3.06	.51
	2	90	3	4	3.76	.28
	3	39	2	4	2.98	.57
	Total	169	2	4	3.42	.56
Recognition	1	40	1.50	3.50	2.61	.52
	2	89	2	4	3.59	.45
	3	38	1.50	4	2.86	.60
	Total	167	1.50	4	3.19	.66
Talent development	1	40	1.75	4	2.90	.57
	2	90	2.60	4	3.60	.35
	3	38	1.80	3.60	2.65	.50
	Total	168	1.75	4	3.22	.61
Organisational culture	1	40	2.20	3.80	2.95	.39
	2	90	2.40	4	3.51	.33
	3	39	2.20	3.40	2.94	.39
	Total	169	2.20	4	3.24	.45
Work life	1	40	2	4	3.31	.49
	2	89	2.50	4	3.76	.34
	3	37	2.25	4	3.33	.53
	Total	166	2	4	3.56	.48
Performance management	1	38	2	3	2.52	.50
	2	90	3	4	3.86	.34
	3	37	3	4	3.72	.45
	Total	165	2	4	3.52	.68

The descriptive statistics indicated that there were clear differences in the means of each cluster per reward element.

Table 15

Test of Homogeneity of Variances

Reward preference	element	Levene Statistic	df1	df2	Sig
Performance management	Based on Mean	23.91	2	162	< 0.05
	Based on Median	9.33	2	162	< 0.05
	Based on Median and with adjusted df	9.33	2	144.187	< 0.05
	Based on trimmed mean	23.91	2	162	< 0.05
Recognition	Based on Mean	1.14	2	164	.322
	Based on Median	.57	2	164	.565
	Based on Median and with adjusted df	.57	2	135.587	.565
	Based on trimmed mean	1.01	2	164	.364
Remuneration	Based on Mean	9.09	2	164	< 0.05
	Based on Median	6.67	2	164	.002
	Based on Median and with adjusted df	6.67	2	145.412	.002
	Based on trimmed mean	8.65	2	164	< 0.05
Talent development	Based on Mean	9.10	2	165	< 0.05
	Based on Median	6.03	2	165	.003
	Based on Median and with adjusted df	6.03	2	156.482	.003
	Based on trimmed mean	9.03	2	165	< 0.05
Work life	Based on Mean	9.52	2	163	< 0.05
	Based on Median	5.13	2	163	.007
	Based on Median and with adjusted df	5.13	2	162.191	.007
	Based on trimmed mean	9.31	2	163	< 0.05
Benefits	Based on Mean	15.96	2	166	< 0.05
	Based on Median	9.70	2	166	< 0.05
	Based on Median and with adjusted df	9.70	2	160.746	< 0.05
	Based on trimmed mean	15.95	2	166	< 0.05
Organisational culture	Based on Mean	2.35	2	166	.098
	Based on Median	1.54	2	166	.217
	Based on Median and with adjusted df	1.54	2	165.311	.217
	Based on trimmed mean	2.23	2	166	.110

The Levene's test of homogeneity was performed to determine whether the second assumption of an ANOVA was satisfied. The Levene's Test was not significant ($F_{2, 166} = 2.23, p = .11$) for organisational culture and ($F_{2, 164} = 1.01, p = .36$) for recognition, which showed that the homogeneity of variance assumption for the ANOVA was supported. It was, therefore, appropriate to conduct a factorial ANOVA on these reward preference elements. The results of the ANOVA are illustrated in Table 16 below.

Table 16

Results of ANOVA for recognition and organisational culture

Reward attribute	preference	Sum of Squares	df	Mean Square	F	p value
Recognition	Between Groups	31.901	2	15.951	61.516	< 0.05
	Within Groups	42.524	164	.259		
Organisational culture	Between Groups	13.226	2	6.613	49.915	< 0.05
	Within Groups	21.993	166	.132		

The Robust Tests of Equality of Means was performed on all reward preference elements that were significant. The results are presented in Table 17 below.

Table 17

Results of Robust Tests of Equality of Means

Reward attribute	preference	Statistica	df1	df2	Sig.
Performance management	Welch	111.130	2	65.715	< 0.05
	Brown-Forsythe	122.610	2	93.881	< 0.05
Remuneration	Welch	31.522	2	66.271	< 0.05
	Brown-Forsythe	27.497	2	95.036	< 0.05
Talent development	Welch	71.061	2	66.776	< 0.05
	Brown-Forsythe	58.686	2	94.979	< 0.05
Work life	Welch	21.055	2	65.819	< 0.05
	Brown-Forsythe	17.942	2	93.504	< 0.05
Benefits	Welch	58.275	2	62.314	< 0.05
	Brown-Forsythe	47.006	2	88.604	< 0.05

a. Asymptotically F distributed

The ANOVA indicates whether significant group differences exist, but where the difference lie can only be indicated by a post hoc test. The Tukey HSD (Honestly Significant Difference) *post hoc* test was used. This involves determining the differences between the means of all the groups and then comparing the difference in scores to a critical value to ascertain if the difference is significant. The critical value is the HSD (honestly significant difference) which is the point when a mean difference becomes honestly significantly different (Tredoux & Durrheim, 2002).

Table 18

Tukey's Post Hoc Comparison of total rewards preferences across clusters

Reward preference attribute	(I) Cluster	(J) Cluster	Mean Difference (I J)	Std. Error	p value
Performance management	1	2	-1.34*	.079	.000
		3	-1.20*	.094	.000
	2	1	1.34*	.079	.000
		3	.13	.079	.204
	3	1	1.20*	.094	.000
		2	-.13	.079	.204
Recognition	1	2	-.98*	.096	.000
		3	-.25	.115	.071
	2	1	.98*	.096	.000
		3	.72*	.098	.000
	3	1	.25	.115	.071
		2	-.72*	.098	.000
Remuneration	1	2	-.67*	.083	.000
		3	-.32*	.099	.004
	2	1	.67*	.083	.000
		3	.34*	.084	.000
	3	1	.32*	.099	.004
		2	-.34*	.084	.000
Talent development	1	2	-.70*	.085	.000
		3	.24*	.101	.042
	2	1	.70*	.085	.000
		3	.95*	.087	.000
	3	1	-.24*	.101	.042
		2	-.95*	.087	.000
Work life	1	2	-.45*	.081	.000
		3	-.01	.097	.980
	2	1	.45*	.081	.000
		3	.43*	.083	.000
	3	1	.01	.097	.980
		2	-.43*	.083	.000
Benefits	1	2	-.70*	.080	.000
		3	.08	.095	.658
	2	1	.70*	.080	.000
		3	.78*	.081	.000
	3	1	-.08	.095	.658
		2	-.78*	.081	.000
Organisational culture	1	2	-.55*	.069	.000
		3	.00	.081	.999
	2	1	.55*	.069	.000
		3	.56*	.069	.000
	3	1	-.00	.081	.999
		2	-.56*	.069	.000

*. The mean difference is significant at the 0.05 level

A Tukey *post hoc* comparison revealed that there was statistical significance between most clusters apart from Cluster 2 and 3 in terms of performance management, Cluster 1 and 3 in terms of recognition, Cluster 1 and 3 in terms of work life, cluster 1 and 3 in terms of benefits and Cluster 1 and 3 in terms of organisational culture.

Discriminant analysis

Discriminant analysis builds a predictive model for group membership composed of discriminant functions based on linear combinations of predictor variables that provide the best discrimination between groups (Bian, 2012).

In order to compute discriminant analysis, all scores of the reward elements, each with different means and standard deviations were converted to standardised z scores to create a common scale in order to compare them fairly (Welman & Kruger, 2001). Z-scores are the hypothetical values calculated to serve the descriptive function of showing where individual cases lie comparative to other cases. These z scores specify the number of standard deviation units a score lies either below or above the mean. (Tredoux & Durrheim, 2002).

The assumption of equality of covariance matrices was checked to determine whether the equality of variances between groups were met. The covariance matrices were compared between groups using the Box's M test. This test should be non-significant if the matrices are the same. (Field, 2009).

Box's M test is used to establish whether two or more covariance matrices are equal (Mo'oamin & Hamad, 2015). In this case, the Box's M statistic had a value of 141.408 and was significant ($p < .01$) suggesting that the assumptions were not met (see below).

Table 19

Box's test of covariance matrices

Log determinants		
Cluster number of case	Rank	Log determinant
1	7	-2.92
2	7	-7.29
3	7	-3.47
Pooled within-groups	7	-4.57

Table 20

Box's M test results

Test results		
Box's M		141.408
F	Approx.	2.324
	df1	56
	df2	29203.080
	Sig.	0.00

The probability value (i.e. $p < 0.05$) indicates that the data does not differ significantly from the multivariate normal.

In Table 20, the smaller the Wilks's lambda the more important the reward element to the discriminant function (Bian, 2012). Wilks's lambda is significant by the F test for all reward elements for the three clusters.

Table 21

Tests of Equality of group means

Z score	Wilks' Lambda	F	df1	df2	Sig.
Performance management	.361	137.939	2	156	.000
Recognition	.594	53.279	2	156	.000
Remuneration	.708	32.105	2	156	.000
Talent development	.535	67.903	2	156	.000
Work life	.801	19.422	2	156	.000
Benefits	.566	59.786	2	156	.000
Organisational culture	.630	45.763	2	156	.000

This table reflects the z scores of the reward elements

Test of homogeneity of covariance matrices

The discriminant function analysis revealed two discriminant functions and these are illustrated in Table 22 (see below). The ability of each function to discriminate between groups is quite different. Most of the variance explained by the model is due to the first discriminant function, with a larger Eigenvalue of 77.9%, whereas the second function explains 22.1% of the variance. Wilks's Lambda test indicated that both functions significantly discriminates between groups.

Table 22

Eigenvalues of Discriminant Functions and Wilks' Lambda

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation	Wilks' Lambda	Chi-square	df	Sig.
1	3.516	77.9	77.9	.882	.111	336.567	14	.000
2	.998	22.1	100.0	.707	.501	105.884	6	.000

Table 23 provides the z scores for each reward element for all clusters.

Table 23

Classification Function Coefficients

	Cluster Number of Case		
	1	2	3
Zscore (Performance management)	-4.288	1.058	1.610
Zscore (Recognition)	-.964	.855	-.827
Zscore (Remuneration)	-1.581	.768	-.238
Zscore (Talent development)	.225	.729	-1.855
Zscore (Work life)	-.593	.457	-.322
Zscore (Benefits)	-.728	.870	-.979
Zscore (Orgaisational culture)	-.353	.427	-.510
Constant	-5.988	-1.997	-3.371

Figure 3 provides a graphical representation of reward preferences for all clusters

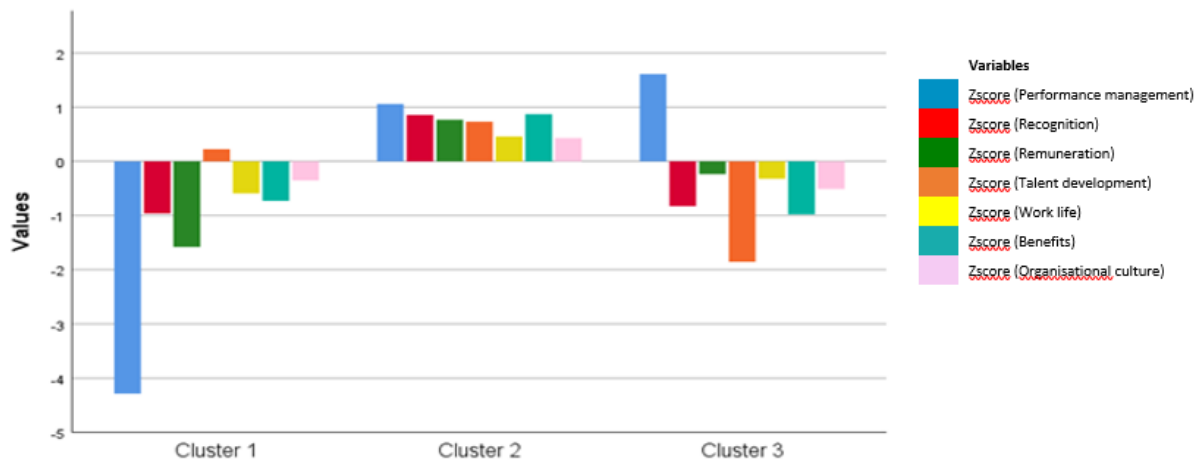


Figure 3. Boxplot of reward preference across three clusters

As can be seen from Figure 3 (above), performance management is more important for Cluster 3 than Cluster 2, but not at all important for Cluster 1. Recognition is only important for cluster 2 and not cluster 1 or cluster 3. Remuneration is only important for Cluster 2. Talent development is very important for Cluster 3 and not very important for cluster 1. Work life appears not to be as important for Cluster 1 and Cluster 3 and benefits and organisational culture appears to be important for Cluster 2 only. All reward elements are important to Cluster 2 whereas talent development is the only reward element important to Cluster 1 and performance management is the only reward element important to cluster 3.

The three sub-samples that were obtained following a data-driven rather than a theory-driven approach were then further analysed and described. Firstly, descriptive statistics were used to summarise the demographic variables of each cluster.

Table 24

Descriptive statistics of demographic variables of clusters

		Cluster 1	Cluster 2	Cluster 3
Race	Coloured	13	46	17
	Indian	1	7	1
	White	24	15	15
	Asian	0	1	0
	Black African	0	14	2
Gender	Female	27	63	26
	Male	13	27	13
Educational level	Grade 12	2	13	4
	National diploma	7	24	6
	Degree	5	17	7
	Honours/PG Diploma	17	20	11
	Masters	8	16	10
	Doctorate	1	0	1
Job level	Non-managerial/non-supervisory	7	38	8
	Specialist	9	15	12
	Supervisor/team leader	8	11	5
	Middle management	9	22	13
	Senior management	6	3	0
	Executive	1	1	1
Marital status	Divorced	4	4	2
	Married	21	59	21
	Single	14	22	14
	Widowed	0	1	0
	Prefer not to disclose	1	0	2
Age	24-29	7	16	6
	30-39	13	33	14
	40-49	10	21	9
	50-59	9	17	10
	60+	1	3	0

Figure 4 provides a graphical representation of race for all clusters

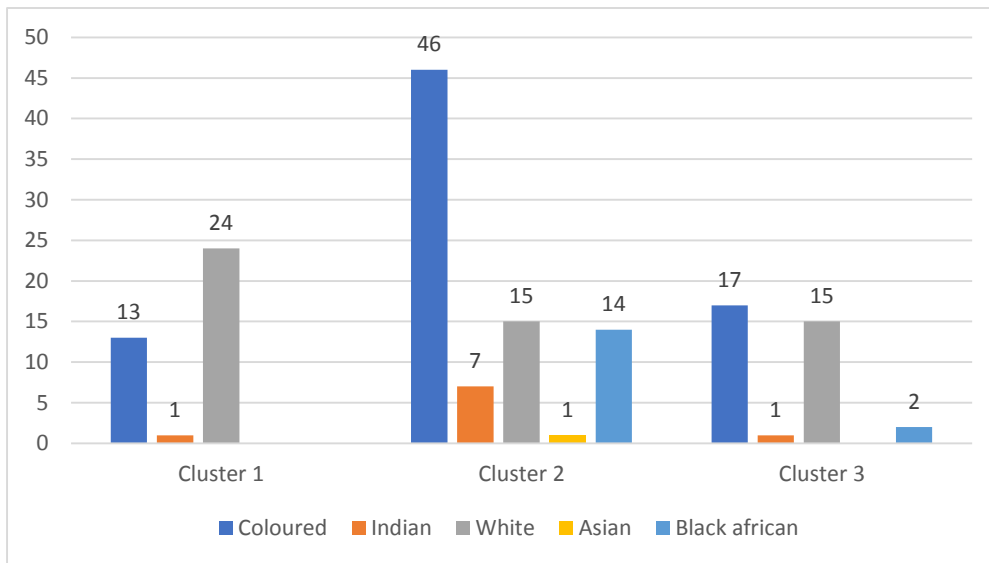


Figure 4. Clusters based on race

The results indicated that the majority of respondents in cluster 1 was White and Coloured in cluster 2.

Figure 5 provides a graphical representation of gender for all clusters

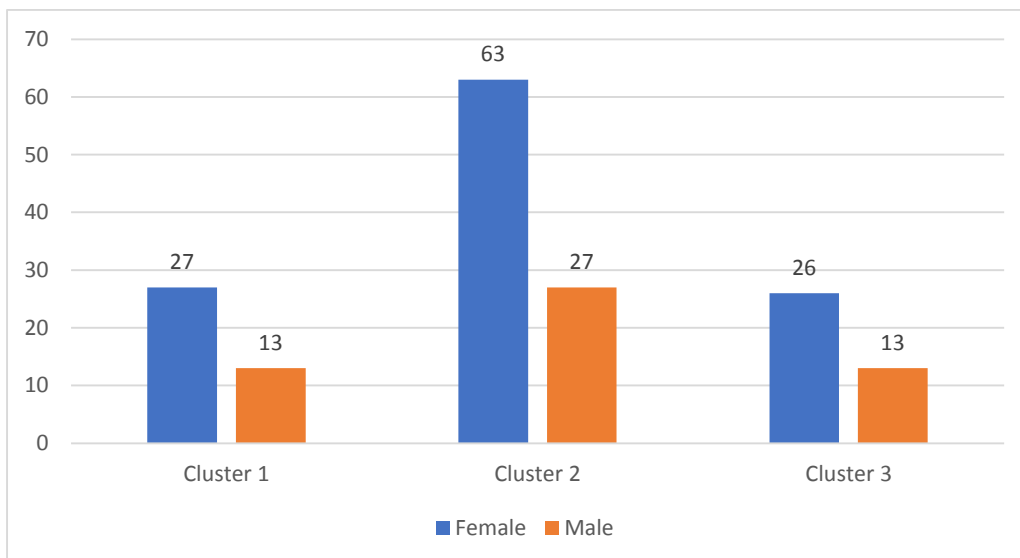


Figure 5. Clusters based on gender

The results indicated that the majority of respondents in all clusters are female.

Figure 6 provides a graphical representation of educational level for all clusters

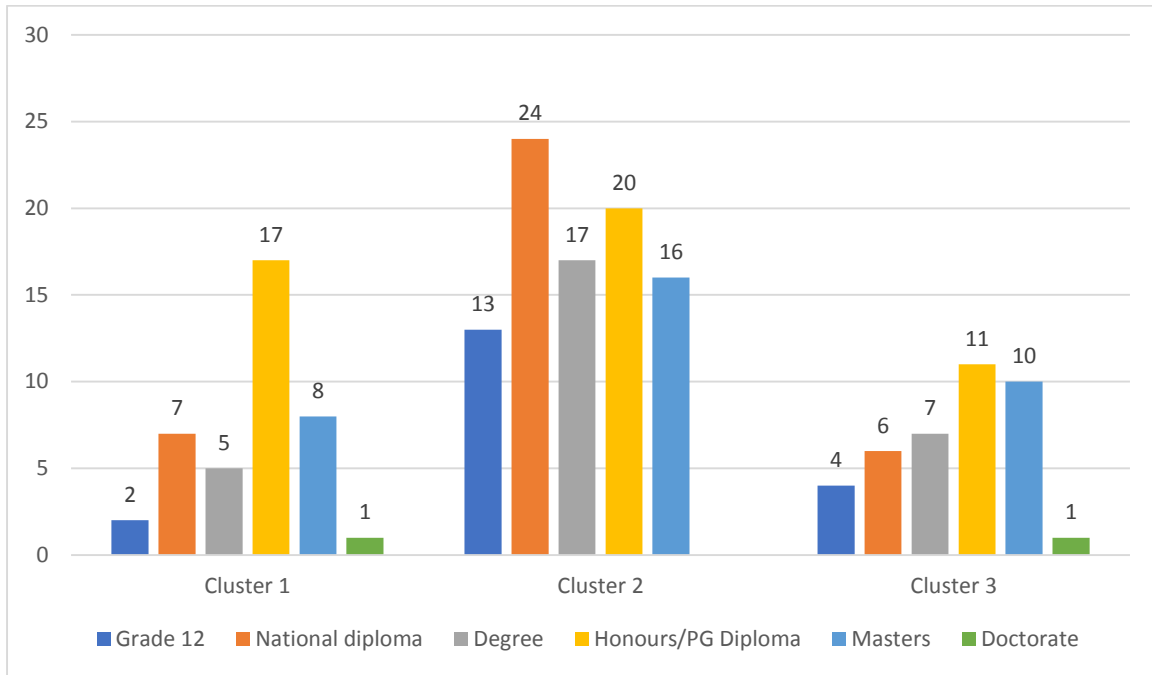


Figure 6. Clusters based on educational level

The results indicated that the majority of respondents in cluster 1 attained a qualification of an Honours/PG Diploma and a National Diploma as the highest qualification in cluster 2. Cluster 3 comprises of predominantly post Degree qualification.

Figure 7 provides a graphical representation of job level for all clusters

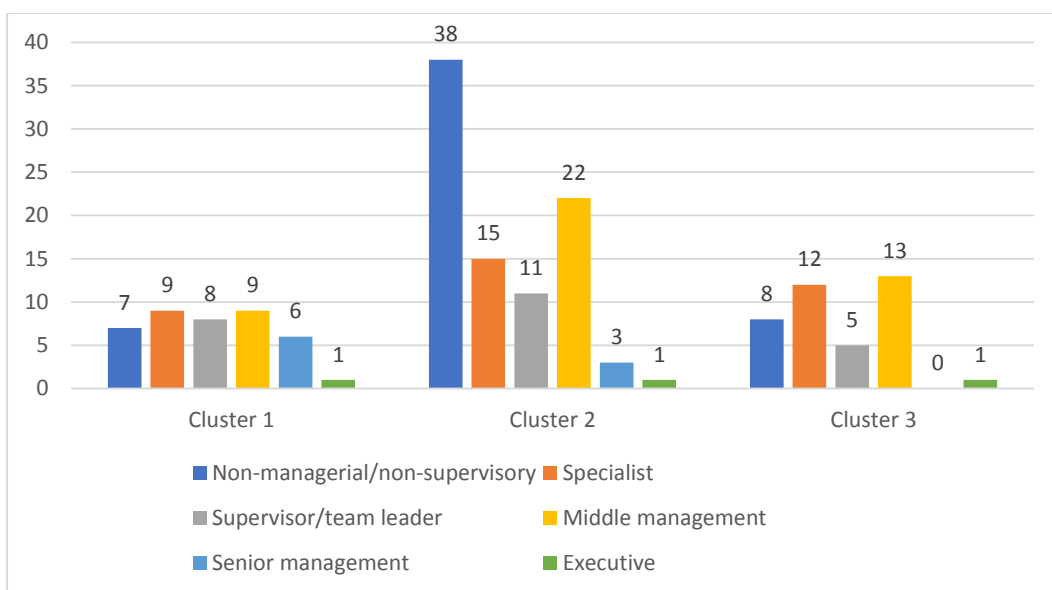


Figure 7. Clusters based on job level

The results in Figure 7 (above) indicated that the majority of respondents in cluster 2 have non-managerial and non-supervisory roles, where cluster 3 have roles as specialist and middle management in both cluster 1 and 3.

Figure 8 provides a graphical representation of marital status for all clusters

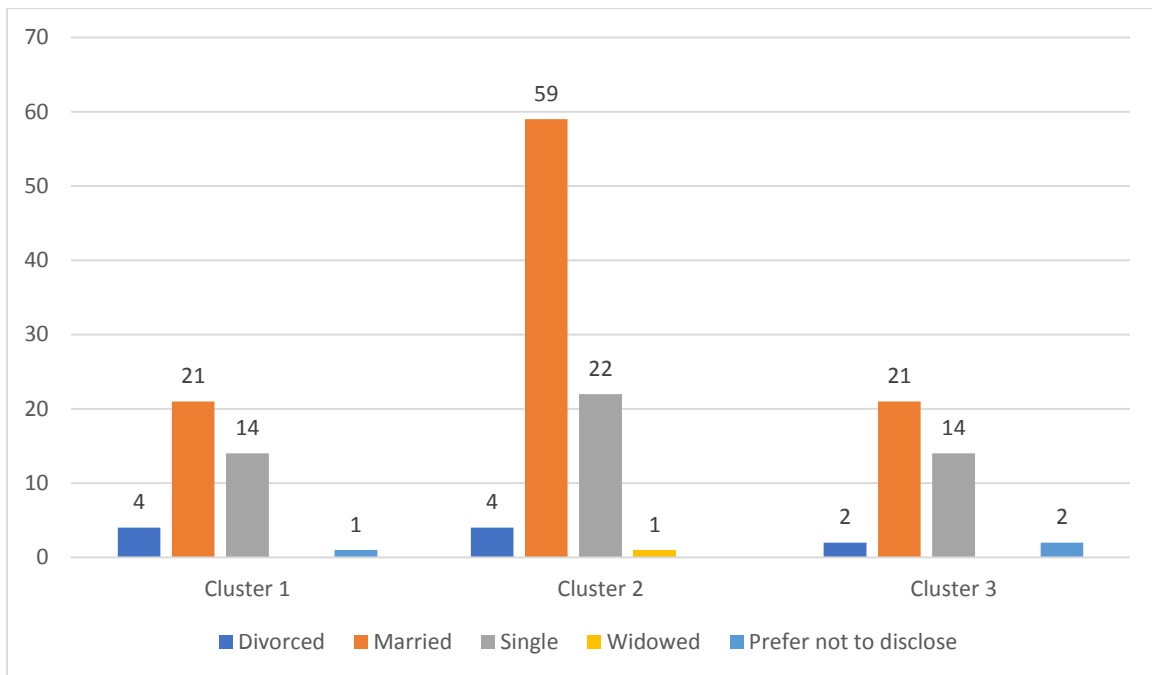


Figure 8. Clusters based on marital status

The results indicated that the majority of respondents in all clusters are married.

Figure 9 provides a graphical representation of age for all clusters

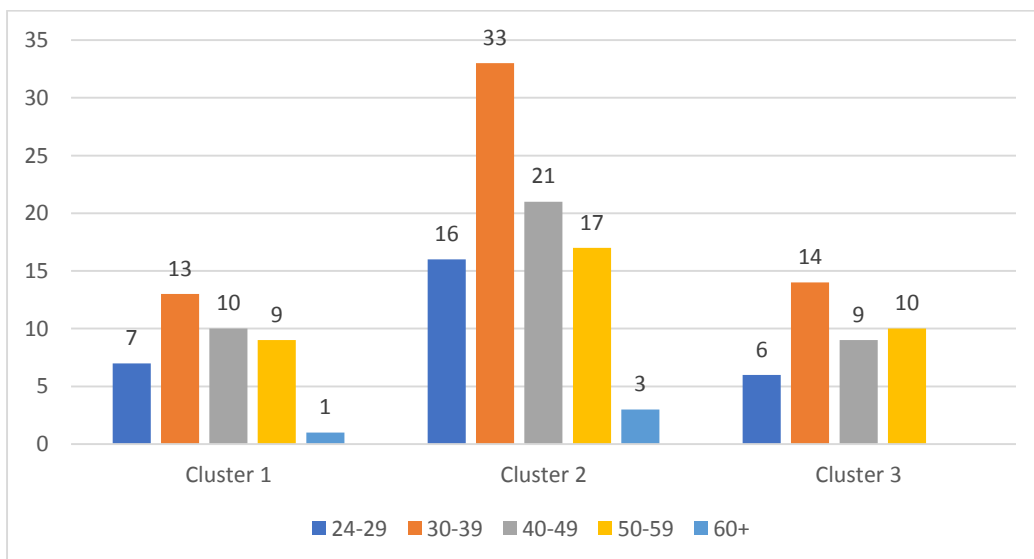


Figure 9. Clusters based on age

The results in Figure 9, indicated that the majority of respondents in all clusters are between the ages of 30 and 39. Table 24 provides a summary of the descriptive statistics for the average age of each cluster.

Table 25

Descriptive statistics for age

Cluster	n	Min	Max	Mean	Std. Dev.
Cluster 1	40	25	63	40.65	10.87
Cluster 2	90	24	69	39.71	10.26
Cluster 3	39	24	58	39.92	9.711

The mean scores for average age of the clusters were somewhat numerically different, but not statistically significantly different from one another as indicated by the results of the ANOVA (Table 26).

Table 26

Results of ANOVA for age across Clusters (n=169)

Age	Sum of Squares	df	Mean Square	F	p value
Between Groups	24.589	2	12.294	.116	.890
Within Groups	17584.358	166	105.930		

Based on the data, the composition of the clusters are indicated below in Figure 10.

<p>Cluster 1</p> <p>White Specialist Honours</p> <p>Important: Talent development</p>	<p>Cluster 2</p> <p>Coloured Non-managerial/non- supervisory National Diploma</p> <p>Important: Performance management Recognition Remuneration Talent development Work-life Benefits Organisational culture</p>	<p>Cluster 3</p> <p>Middle management Post graduate</p> <p>Important: Performance management</p>
--	---	---

Figure 10. Composition of clusters

Assessing Rewards Preferences by means of Choice-Based Conjoint Analysis

The analysis of the conjoint tasks results in the estimation of utilities per level of each attribute. Based on the range of the utilities within each attribute, the relative importance of each attribute is determined. From Table 27 (see below), it can be seen that remuneration is generally the most important attribute for the overall sample. This is followed by work life, benefits, performance management, recognition and lastly talent development, respectively. These results of the conjoint analysis are presented on an overall basis as well as for the USA generation group, the SA generation group and for each of the clusters created by the data-driven exploratory analysis.

Table 27

Attributes and levels for the Conjoint Analysis for the overall sample (n=169)

Overall					
Attribute	Level	Level description	Utility	Relative importance	Ranking
Remuneration (pay)	1	Well-above market related salary + 13 th cheque + annual performance bonus	300,140		
	2	Market related (average) salary + a 13 th cheque	242,960	27,5%	1
	3	Below market related salary. No bonuses	543,100		
Benefits	1	Well-above market related contribution to employee benefits	215,886		
	2	Average (market related) contribution to employee benefits	174,320	19,8%	3
	3	No employee benefits	390,206		
Work life	1	Practices, policies and programmes + a family friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	316,792		
	2	Some support for family commitments of employees (e.g. flexible work hours, time off for family commitments)	136,455	25,1%	2
	3	No support for the family commitments of employees. Not a family friendly organisation	453,247		
Talent development	1	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	57,093		
	2	In house learning and development opportunities (company training courses)	20,969	3,0%	6
	3	On the job training by supervisors/managers	36,125		
Performance Management	1	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals	159,299		
	2	Have a job description available and annual performance appraisal with manager/supervisor	98,189	13,6%	4
	3	Ambiguous goals/expectations; no job description available. Poor or limited performance management by supervisors/managers	257,488		
Recognition	1	Regular formal and informal recognition of effort/accomplishments (certificates of excellence, on the spot rewards, CEO dinners, paid for holidays)	88,340		
	2	Formal recognition of extraordinary accomplishments (e.g. employee of the month)	122,168	10,9%	5
	3	No recognition of efforts/ accomplishments by supervisors/managers	210,507		

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

Differences between cohorts based on USA generations

Table 28

Relative Importance of Attributes by USA Generation

Attribute	Level	Baby boomer			GEN X			GEN Y		
		Utility	Relative importance	Ranking	Utility	Relative importance	Ranking	Utility	Relative importance	Ranking
Remuneration (pay)	1	37,288			145,145			117,706		
	2	26,934	28,4%	1	108,922	28,2%	1	107,104	26,6%	1
	3	-64,222			-254,068			-224,810		
Benefits	1	23,460			106,612			85,814		
	2	21,076	19,0%	3	78,755	20,6%	3	74,489	19,1%	3
	3	-44,536			-185,367			-160,303		
Work life	1	31,250			144,518			141,024		
	2	12,328	20,9%	2	71,827	25,5%	2	52,301	26,0%	2
	3	-43,578			-216,345			-193,325		
Talent development	1	6,804			24,230			26,060		
	2	-0,323	3,7%	6	8,971	2,8%	6	-11,675	3,1%	6
	3	-6,480			-15,259			-14,385		
Performance Management	1	22,751			67,521			69,027		
	2	8,785	15,2%	4	47,055	12,9%	4	42,349	14,0%	4
	3	-31,536			-114,576			-111,376		
Recognition	1	11,364			36,057			40,918		
	2	17,364	12,9%	5	53,573	10,1%	5	51,231	11,1%	5
	3	-28,728			-89,630			-92,149		

The conjoint analyses revealed that there were no differences between the reward preferences of the three clusters.

Table 29

Summary of the Conjoint Task – Ranked attributes for USA generations

Ranking	Baby boomer	Gen X	Gen Y
1	Remuneration (pay)	Remuneration (pay)	Remuneration (pay)
2	Work-life	Work-life	Work-life
3	Benefits	Benefits	Benefits
4	Performance management	Performance management	Performance management
5	Recognition	Recognition	Recognition
6	Talent development	Talent development	Talent development

Differences between cohorts based on SA generations

In order to determine the reward preferences between scores of the different generations as indicated by South African history, four proposed generational cohorts were created based on the age categories.

The relative importance and utility values respondents attached to reward elements categorised by the SA generational groups are shown in Table 30. The conjoint analyses revealed that there were differences between the four generational groups found on some of the reward attributes. The largest difference of reward attribute preference was between the older and younger generation.

Table 30

Summary of the Conjoint Task – Ranked attributes for SA generations

Ranking	SA 1939- 1959	SA 1960-1979	SA 1980-1993	SA 1994 and younger
1	Remuneration (pay)	Remuneration (pay)	Remuneration (pay)	Work-life
2	Benefits	Work-life	Work-life	Benefits
3	Work-life	Benefits	Benefits	Remuneration (pay)
4	Recognition	Performance management	Performance management	Performance management
5	Performance management	Recognition	Recognition	Recognition
6	Talent development	Talent development	Talent development	Talent development

The relative importance and utility values respondents attached to reward elements categorised by SA Generation are shown in Table 31 (see below). The relative importance and utility values respondents attached to reward elements categorised by the clusters are shown in Table 31 (see below).

Table 31

Relative Importance of Attributes by SA Generation

Attribute	Level	1939- 1959			1960-1979			1980-1993			1994 and younger		
		Utility	Relative importance	Ranking	Utility	Relative importance	Ranking	Utility	Relative importance	Ranking	Utility	Relative importance	Ranking
Remuneration (pay)	1	8,054			147,368			142,153			2,565		
	2	8,228	27.4%	1	108,734	28.0%	1	123,554	27.2%	1	2,444	19.1%	3
	3	-16,281			-256,102			-265,706			-5,010		
Benefits	1	7,968			101,015			104,442			2,461		
	2	7,465	26.1%	2	77,045	19.4%	3	86,607	19.7%	3	3,203	22.4%	2
	3	-15,432			-178,060			-191,049			-5,665		
Work life	1	7,252			142,105			161,959			5,476		
	2	2,210	18.7%	3	67,295	24.4%	2	65,880	26.0%	2	1,070	30.3%	1
	3	-9,463			-209,400			-227,839			-6,546		
Talent development	1	0,463			26,109			30,893			-0,372		
	2	-0,384	0.9%	6	-5,324	3.3%	6	-15,834	3.1%	6	0,573	2.4%	6
	3	-0,079			-20,785			-15,059			-0,202		
Performance Management	1	5,791			73,976			77,254			2,278		
	2	0,155	13.1%	5	47,107	13.6%	4	50,231	13.7%	4	0,695	13.2%	4
	3	-5,946			-121,083			-127,485			-2,973		
Recognition	1	3,362			40,077			43,292			1,609		
	2	4,475	13.8%	4	61,488	11.3%	5	54,503	10.2%	5	1,702	12.6%	5
	3	-7,838			-101,564			-97,794			-3,311		

Table 32

Relative Importance of Attributes by Cluster

Attribute	Level	Cluster 1			Cluster 2			Cluster 3		
		Utility	Relative importance	Ranking	Utility	Relative importance	Ranking	Utility	Relative importance	Ranking
Remuneration (pay)	1	76.403			137.596			86.141		
	2	66.282	28.1%	1	124.364	25.9%	1	52.314	30.2%	1
	3	-142.685			-261.959			-138.455		
Benefits	1	49.911			117.753			48.222		
	2	43.501	18.4%	3	97.918	21.6%	3	32.901	17.4%	3
	3	-93.412			-215.671			-81.122		
Work life	1	82.433			158.290			76.069		
	2	37.563	26.0%	2	65.915	24.8%	2	32.977	24.9%	2
	3	-119.996			-224.205			-109.046		
Talent development	1	17.159			23.621			16.313		
	2	-4.408	3.8%	6	-13.912	2.4%	6	-2.649	4.0%	6
	3	-12.752			-9.709			-13.664		
Performance Management	1	40.706			78.090			40.503		
	2	19.695	13.0%	4	54.441	13.6%	4	24.053	14.1%	4
	3	-60.401			-132.531			-64.556		
Recognition	1	20.468			49.209			18.662		
	2	31.042	10.6%	5	65.566	11.7%	5	25.560	9.4%	5
	3	-51.511			-114.775			-44.222		

The conjoint analyses revealed that there were no differences between the reward preferences of the three clusters.

Table 33

Summary of the Conjoint Task – Ranked attributes for cluster groups

Ranking	Cluster 1	Cluster 2	Cluster 3
1	Remuneration (pay)	Remuneration (pay)	Remuneration (pay)
2	Work-life	Work-life	Work-life
3	Benefits	Benefits	Benefits
4	Performance management	Performance management	Performance management
5	Recognition	Recognition	Recognition
6	Talent development	Talent development	Talent development

CONCLUSION

The results of the statistical techniques that were used to analyse the data obtained are reported in the chapter above.

In summary, the statistical analyses did not provide support for significant differences in reward preferences when using the current generational theory that is based on American history as a grouping variable to compared sub-samples of the realised sample. When using the South African generational theory that was developed as a grouping variable, no significant differences in the reward preferences of those sub-samples were found either. There were, however, some differences observed in the reward preferences of the South African based generational groups in terms of the choice based conjoint analysis results, specifically between the older and younger generations.

As these two frameworks found no or limited support for between generational group differences, a data-driven exploratory analysis was followed and yielded three distinct clusters or groups with clear differences in reward preferences that emerged from the data.

In Chapter 5 the findings will be further discussed and the results obtained in the present study related back to previous studies and findings that were discussed in the literature review.

CHAPTER 5

DISCUSSION

In the current competitive and ever-changing working environment, organisations are under increasing pressure to attract, engage, and retain scarce human capital while navigating economic challenges (Bussin & Thabethe, 2018). Increasingly, evidence suggests that providing individualised total reward offerings that are aligned to the reward preferences of specific cohorts of employees is more effective in attracting, engaging, motivating and retaining talent (Snelgar *et al.*, 2013). Moore and Bussin (2012) found that structuring total reward offerings according to individual preferences was positively related to the attraction, engagement and retention of talent, i.e. employees that possess scarce skills that are strategically important. The outcomes of such studies seem to suggest that the traditional one-size-fit-all approach to designing reward offerings is no longer effective. Organisations, therefore, need to have a greater understanding of the reward preferences of various cohorts of employees if they are to address such differences in their reward strategies. Identifying generational cohorts within organisations have shown promise as a manner in which to target reward packages. i.e. that are tailored to meet specific needs and that are more effective in attraction, engagement and retention.

Given the arguments above, the aim of the present study was to investigate the reward preferences of a broad range of employees in an attempt to assess if popular generational cohort theory, which has been based on historical events that affected Americans is relevant and or effective in a non-American context. Furthermore, the applicability of the current framework, which was designed in a developed economy, on a developing economy such as South Africa is increasingly being challenged. To address this criticism, possible alternative generational perspectives or approaches to defining generational cohorts that may be more appropriate and effective when designing reward offerings for different cohorts of employees in South Africa, were sought.

The research aim, as described above, was investigated in two ways, firstly by means of a reward preference questionnaire that was used to collect data in an attempt to identify which total reward elements were preferred by the various generational cohort groups, as defined by the popular generational framework. The second approach utilised choice-based conjoint

analysis where respondents were presented with various reward elements and required them to trade these off against each other when choosing their ideal combination of total reward elements. In this way, their total rewards preferences were assessed in a manner that more closely replicates human decision making. The results of both approaches were compared and analysed accordingly in an effort to address the aims of the present research study.

The present research project is important for a number of reasons, most notably to 1) investigate the appropriateness of the popular generational cohort model as used in a non-American context given the criticism that it is not applicable to, for example, the South African context; 2) provide alternative approaches to more effectively identifying cohorts of employees for which tailored reward packages can be offered. Given the evidence that already exists, it is essential for organisations to understand the reward preferences of the generational cohorts to ensure that the appropriate mix of total rewards is provided to successfully attract, engage, and retain these generational cohorts.

In the first part of the discussion the findings related to the reward preferences, as measured by Likert-based response scales in a field survey and the choice-based conjoint analysis are discussed, as specifically related to the reward preferences based on the current generational model of Strauss and Howe. Given the criticism that the American-based framework may not be applicable in contexts outside of America, an alternative generational framework based on South African historical events was designed. This alternative model was applied to the data that was collected to compare the extent to which these models were able to produce distinctly different employee cohorts, when comparing their rewards preferences. The previous approach can be described as having been theory-driven, i.e. the cohorts were created using theoretical considerations. A data-driven approach was also followed, and exploratory techniques were used to identify employee groups with distinct reward preferences. The findings of these analyses are further discussed. Finally, limitations of the present study and suggestions for future research are provided, as well as some theoretical and practical implications of the current study.

Theory-Driven Approaches

Firstly, the reward preferences based on the current generational model of Strauss and Howe measured by Likert-based response scales and the choice-based conjoint analysis are discussed. Secondly, the reward preferences based on an alternative generational framework based on South African historical events measured by Likert-based response scales and the choice-based conjoint analysis are discussed.

Total rewards preferences across USA Generations

Popular generational theory suggests three generations, i.e. Baby Boomers, Generation X and Generation Y. The respondents were grouped in terms of this framework and their total rewards preferences assessed and compared with one another.

The results for the rewards preference survey and the generational groups as determined by the current generational theory, were compared using an one-way ANOVA to determine whether there were any statistically significant main effects or differences between these generational groups for each total reward element preference. The results of the ANOVA did not reveal any statistically significant differences between the reward preference means calculated for each of the generational groups. Therefore, the study results did not offer any support for the use of the popular generational model in the sample of South African employees that was obtained.

Whereas the Likert-based responses measured each reward preference separately, choice-based conjoint analysis assessed the relative importance of each total reward element, as related to the others. In the overall sample, the results obtained in the current study suggest that there were no difference in the relative importance of the reward preferences for each generational group and all reward elements were valued in similar levels of importance.

In the current study the conjoint task produced an ideal mix of total rewards (graphically represented in Figure 14) of which all three generations, namely, the baby boomers, generation X and generation Y had similar preferences for the total reward elements. No clear differences were found in the reward preferences of the generational groups as indicated by previous research conducted in South Africa using the generational model of Strauss and Howe. Like Smola and Sutton (2002), other researchers have found reasonably few of the generational differences suggested by previous research.

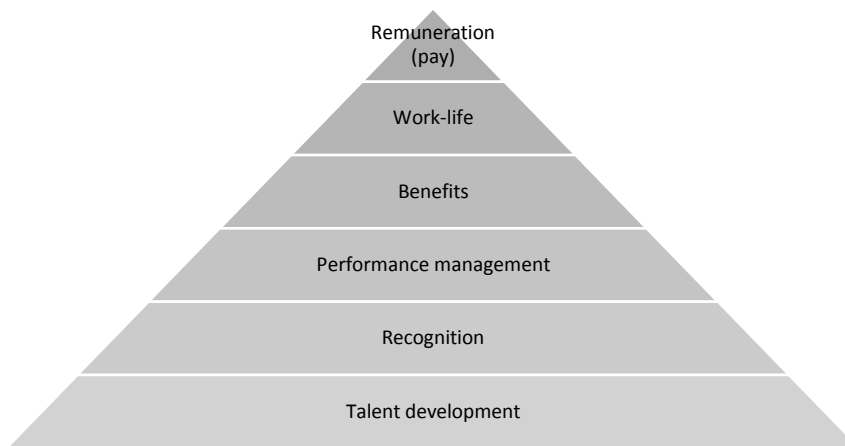


Figure 11. The overall ideal mix of total rewards for all generational cohorts based on the American generational cohort model

Total rewards preferences across SA Generations

Hole, Zhong and Schwartz (2010) maintain that while the concept of generational cohort differences is universal, how generational cohorts are defined are largely based on the society within which the individual lives. It is vital to better understand generational differences in the South African context as our society was shaped by unique political, socio-economic and cultural events which may have had a transformative impact on the South African population (Hole, Zhong, & Schwartz, 2010). Therefore, in an attempt to create culture-specific classifications, age groups linked to South African historical events was identified. Based on significant historical events, four generations were identified and used to classify respondents. The four groups were individuals born between 1) 1939 and 1959; 2) 1960 and 1979; 3) 1980 and 1993; and 4) lastly those born after 1994.

Comparing the rewards preference survey results per each of the four South African generational groups using a one-way ANOVA did not reveal any statistically significant differences between the total reward preference means of the South African generational groups. Therefore, the present study did not find support for the use of the proposed age categories, based on South African history, either.

Based on the choice-based conjoint analyses, the ideal mix of total rewards (graphically represented in Figure 12 to 14), did indicate differences in the relative importance of total

reward element preferences between the younger and older generational groups. The relative importance for the reward elements was similar for the age groups born between 1960 and 1979 and the age group 1980 and 1993. Both generations valued remuneration as the most important, followed by work-life balance, benefits, performance management, recognition and talent development as the least important. The respondents born between 1939 and 1959 valued remuneration as the most important, followed by benefits, work-life balance, recognition, performance management and talent development as the least important.

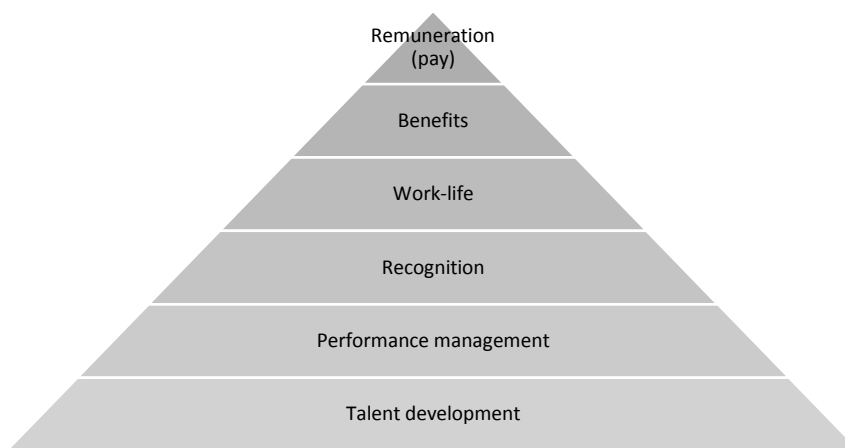


Figure 12. The overall ideal mix of total rewards for the generational group born between 1939- 1959

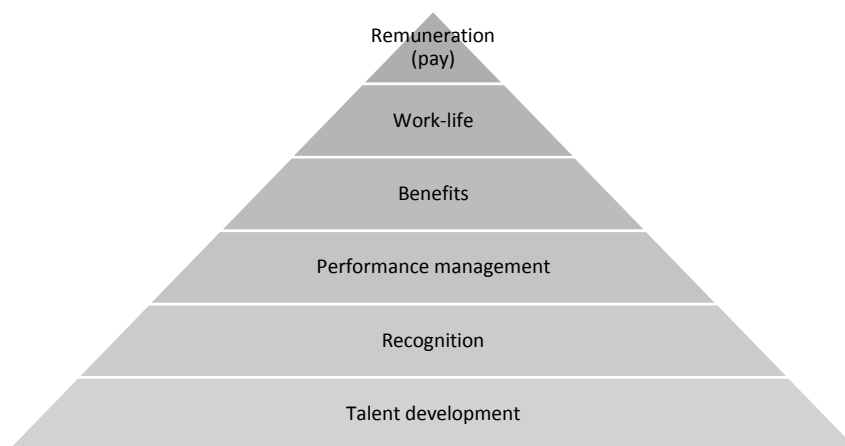


Figure 13. The overall ideal mix of total rewards for the generational group born between 1960-1979 and 1980-1993

The conjoint results for the South African constructed generational group born between 1960-1979 and 1980-1993 were identical to the relative importance of the reward preferences of all generational groups based on the current generational model of Strauss and Howe.

The largest difference in relative importance was in the relative importance of the reward elements by the respondents born after 1994 who valued work-life balance as the most important, followed by benefits, remuneration, performance management, recognition and talent development as the least important. Across all age groups, talent development was valued as least important.

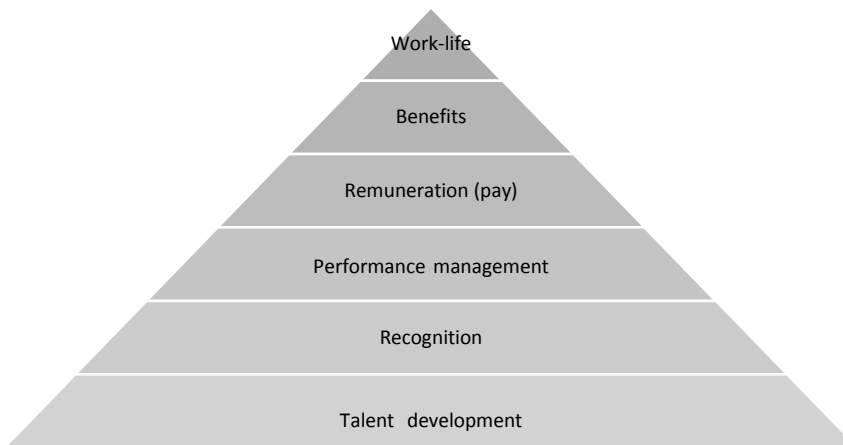


Figure 14. The overall ideal mix of total rewards for the generational group born in 1994 and after

Theory indicates that by dividing the sample using age as cut-points would result in groups with significant differences in reward preferences, i.e. create groups with distinct differences. No support was found for this using the current generational cohort model of Strauss and Howe i.e. the three generations do not have different preferences. When using the South African based generational groups that was developed also by dividing the sample using age as cut-points, no significant differences in the reward preferences of those sub-samples were found either. There were, however, some differences observed in the reward preferences of the South African based generational groups in terms of the choice based conjoint analysis results, specifically between the older and younger generations. The results of the selected levels of reward attributes per generational group are presented in Table 33 (see below).

Rothmann (2003) provided three areas which may be targeted to increase the individual's engagement, such as career development and rewarding work environments by employees also receiving recognition for their contributions. The results obtained in the present study were, however, contradictory as the reward elements least valued by respondents are talent development and recognition. The Total Reward Toolkit (2012) maintain that recognition of employee achievements can be motivating and sometimes more effective than financial

rewards. Contradictory results were obtained in the current study, given the fact that respondents most valued remuneration, benefits and work-life.

Previous research indicates a positive relationship between diverse career opportunities and attraction and retention to an organisation, as future employees react positively to career development and advancement opportunities (Total Reward Toolkit, 2012), the study however indicated that talent development was least valued by all respondents.

Remuneration is the main factor of the rewards system (Peters, 2011) that has been used to attract, engage, retain and reinforce employee performance (Peterson & Luthans, 2006). The highest level of Remuneration, namely well-above market-related salary + 13th cheque + annual performance bonus was deemed the most important preference for those born between 1960-1979, 1980-1993 and 1994 and after. The second level of remuneration, namely market-related (average) salary + a 13th cheque was however most important for those born between 1939- 1959. A study conducted by Scott (2010), indicated that 60% of the respondents valued variable pay as a preference and that base salary, base salary increases are important. The generation born 1994 and after however still viewed remuneration as third most important preference. Putre (2013) found that the younger generation are believed to favour work-life balance and greater workplace flexibility above other rewards as is consistent with this study. In contrast studies have found that remuneration as a reward is one of the most significant factors for younger generations (Barkhuizen, 2014). Possible reasons for respondents favouring remuneration could be the current state of the economy in the country as the South African economy slipped into recession during the second quarter of 2018. The generation born between 1960-1979 may already be earning a competitive salary due to tenure and may place a bigger value on the organisation's contributions to retirement funding.

The highest level of Benefits, namely Well-above market-related contribution to employee benefits were deemed the most important preference for all cohort groups besides those born 1994 and after. These findings are consistent with the results of the survey conducted by the WorldatWork (2010) found that 95% of respondents rated medical plans as having either a moderate to high impact on attraction and retention of. It is probable that South African employees, such as those in the current study, would consider benefits important, given the value placed on the organisation's contributions to retirement funding and the high costs of medical care and that the public healthcare system is considered to be inadequate. Respondents

born 1994 and after placed a higher importance on the second level of benefits, namely, an average (market-related) contribution to employee benefits. This generational group may not yet value retirement benefits due to their age and length to retirement.

Work-life initiatives can help improve recruitment and make the organisation more attractive and that work-life benefits can be collectively attractive to all employees even those who are not parents (WorldatWork, 2010). The current study supports this finding as most respondents valued work-life fairly highly. This could be that some individuals may have a very noticeable family identity and will try to enter an organisation that can offer them support in their lives outside of work.

The highest level of Work-life, namely Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work) were deemed the most important preference for all cohort groups. The younger generation, born 1994 and after have a significantly higher need for work-life balance than the older generational groups. This is consistent with the findings of Sullivan *et al.*, (2009). Snelgar *et al.*, (2013) found that employees in the age group between 18-29 years regarded work-home balance more important than base pay as indicated in the current study. This younger generation views work as a means to an end and may prefer to achieve a balance between work and family life (Haynes, 2011). The current study supports the notion that younger employees value work-life balance specifically for the constructed South African group born in 1994 and later.

Generally non-financial recognition programmes are suggested to motivate and engage employees (Scott, 2010) and that the recognition of employee achievements can be very motivating and sometimes more effective than financial rewards. (Total Reward Toolkit, 2012). Recognition has also been related to higher employee morale and increased commitment to the organisation. (WorldatWork, 2010). This is contrary to the current study as recognition was deemed to be the fourth or fifth most important reward element by the respondents. The second level of Recognition, namely Formal recognition of extraordinary accomplishments (e.g. employee of the month) was viewed as most important by all by all cohort groups. These results could be reflective of the sample of the study as the majority of respondents were employed in the public service, where recognition for outstanding performance and accomplishments are not effectively rewarded.

The highest level of Performance management as presented in the conjoint task, (i.e. Good performance management (incl. clear expectations, regular appraisals and feedback) was deemed to be most valued by all cohort groups. Efforts clearly aligned with the achievement of business goals) was considered to be the most valued by all cohort groups. Mabaso and Dlamini (2018) found that performance management has a significant relationship with organisational commitment and effective performance management system will aid organisations to improve organisational commitment and talent retention. For example, the use of 360-degree performance appraisals including feedback may encourage teamwork focus. Not much research exists on the relationship between attraction and performance management, but despite this shortage of information, it is believed that performance management and how much recognition is expected could affect attraction (WorldatWork, 2010).

The highest level of Talent development, Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries) was deemed most important preference for all cohort groups besides those born 1994 and after, who viewed the second level, In-house learning and development opportunities (company training courses) as more important. Similar results were found in studies conducted by Barkhuizen (2014), Wong, Gardiner, Lang, & Coulon (2008) and Snelgar *et al.*, (2013) where younger age groups valued career progression and skill development within the organisation. In this regard, Rothmann (2003) found that intrinsic rewards such as a challenging job and development opportunities have been found to be positively related to work engagement. The older cohort groups may value opportunities to advance career goals as most important because they may aspire to progress to leadership roles within the organisation. The results of this study is similar to those found by Bright (2010), where older and younger employees seem to prefer different work opportunities in terms of career advancement opportunities and professional development to keep them motivated and engaged (Bright, 2010).

Table 34: Summary of the Conjoint Task – Selected levels of reward attributes per generational group

Attribute	Baby boomer	GEN X	GEN Y	1939- 1959	1960-1979	1980-1993	1994 and younger	Cluster 1	Cluster 2	Cluster 3
Remuneration (pay)	Well-above market-related salary + 13th cheque + annual performance bonus	Well-above market-related salary + 13th cheque + annual performance bonus	Well-above market-related salary + 13th cheque + annual performance bonus	Market-related (average) salary + a 13th cheque	Well-above market-related salary + 13th cheque + annual performance bonus	Well-above market-related salary + 13th cheque + annual performance bonus	Well-above market-related salary + 13th cheque + annual performance bonus	Well-above market-related salary + 13th cheque + annual performance bonus	Well-above market-related salary + 13th cheque + annual performance bonus	Well-above market-related salary + 13th cheque + annual performance bonus
Benefits	Well-above market-related contribution to employee benefits	Well-above market-related contribution to employee benefits	Well-above market-related contribution to employee benefits	Well-above market-related contribution to employee benefits	Well-above market-related contribution to employee benefits	Well-above market-related contribution to employee benefits	Average (market-related) contribution to employee benefits	Well-above market-related contribution to employee benefits	Well-above market-related contribution to employee benefits	Well-above market-related contribution to employee benefits
Work life	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)
Talent development	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	In-house learning and development opportunities (company training courses)	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)
Performance Management	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.
Recognition	Formal recognition of extraordinary accomplishments (e.g. employee of the month).	Formal recognition of extraordinary accomplishments (e.g. employee of the month).	Formal recognition of extraordinary accomplishments (e.g. employee of the month).	Formal recognition of extraordinary accomplishments (e.g. employee of the month).	Formal recognition of extraordinary accomplishments (e.g. employee of the month).	Formal recognition of extraordinary accomplishments (e.g. employee of the month).	Formal recognition of extraordinary accomplishments (e.g. employee of the month).	Formal recognition of extraordinary accomplishments (e.g. employee of the month).	Formal recognition of extraordinary accomplishments (e.g. employee of the month).	Formal recognition of extraordinary accomplishments (e.g. employee of the month).

Levels of the conjoint task for each demographic group

Level 1 Level 2 Level 3

Data-Driven Approach

As these above mentioned frameworks found no or limited support for between generational group differences, a data-driven exploratory analysis was followed and yielded three distinct clusters or groups with clear differences in reward preferences emerging from the data.

Cluster analysis

The three sub-samples that were obtained following a data-driven rather than a theory-driven approach indicated distinct differences in reward preferences.

Based on the conjoint task, an ideal mix of total rewards (graphically represented in Figure 18), there were no differences in the relative importance of the reward preferences between the clusters.

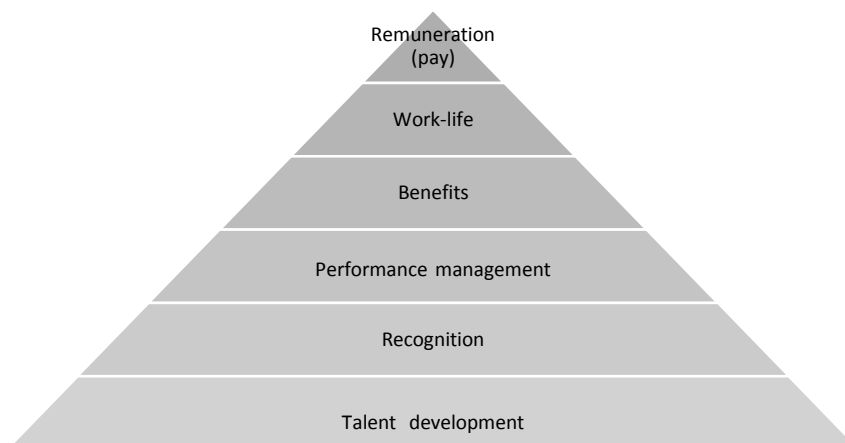


Figure 15. The overall ideal mix of total rewards for all clusters

The main differences in reward preferences between the clusters were based on the Likert-type response survey. The results in Figure 16 (see below), indicated that cluster 2 valued all reward elements as important and cluster 1 and cluster 3 each valued one reward element as important each i.e. talents development for cluster 1 and performance management for cluster 3.

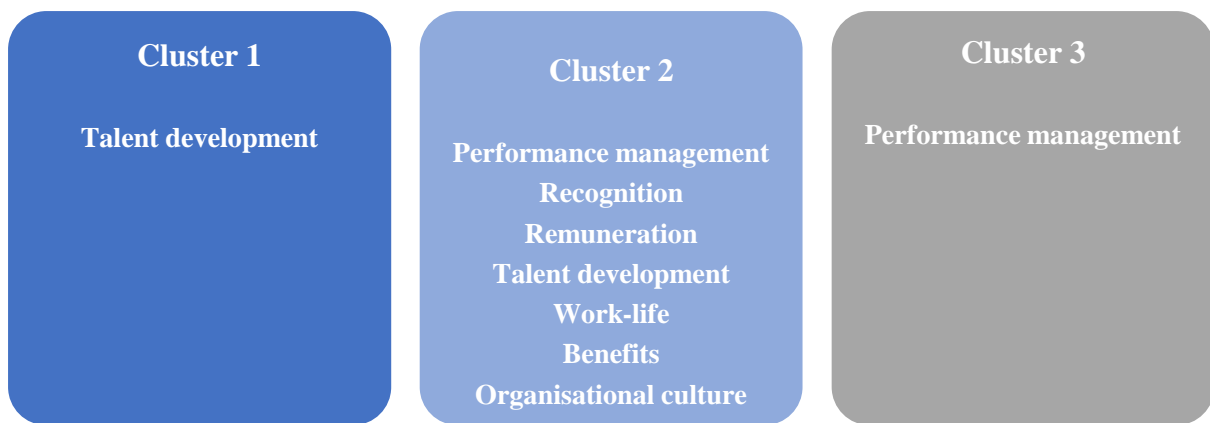


Figure 16. Reward preferences of clusters

When analysing the results of the demographic variables of each cluster, some differences were found in the composition of the clusters.

Differences in Clusters based on race

In terms of race, the composition of cluster 1 is 63.2% White and 34.2% Coloured and only 2.6% Indian respondents. The cluster had no Asian or Black African respondents. The composition of cluster 2 is 55.4% Coloured, 8.4% Indian, 18.1% White respondents, 1.2% Asian, and 16.9% Black African respondents. The composition of cluster 3 is 48.6% Coloured, 2.9% Indian, 42.9% White, 5.7% Black African respondents and no Asian respondents.

Based on the above, cluster 1 comprised of predominantly White respondents and cluster 2, consists of largely Coloured respondents.

Differences in Clusters based on gender

In terms of gender, the composition of cluster 1 is 67.8% female and 32.5% male. Cluster 2 comprised of 70% female and 30% male and cluster 3 consisted of 66.7% females and 33.3% males. All clusters are predominantly female and no clear differences can be reported between the clusters.

Differences in Clusters based on educational level

In terms of educational level for cluster 1, respondents who obtained below a University Degree level comprised of 22.5% of the cluster, of which, 5% of respondents obtained a qualification level of Grade 12 and 17.5% a National Diploma qualification. Respondents who obtained

University qualification comprised of 77.5% of the cluster, where 12.5% obtained a Degree qualification, 42.5% obtained an Honours level qualification and 20%, a Masters qualification and 2% obtained a Doctorate qualification. The majority of respondents in this cluster obtained an Honours level qualification.

In terms of educational level for cluster 2, 14.4% obtained a qualification of a Grade 12, 26.7% a National Diploma qualification. Respondents who obtained University qualification comprised of 58.9% of the cluster, where 18.9% obtained a Degree qualification, 22.2% obtained an Honours level qualification and 17.8%, a Masters qualification. The majority of respondents in this cluster obtained a National Diploma qualification.

In terms of educational level for cluster 3, 10.2% of respondents obtained a qualification level of Grade 12 and 15.4% a National Diploma qualification. Respondents who obtained University qualification comprised of 74.3% of the cluster, where 17.9% obtained a Degree qualification, 28.2% obtained an Honours level qualification and 25.6%, a Masters qualification and 2.5% obtained a Doctorate qualification. The majority of respondents in this cluster obtained an Honours level qualification.

Differences in educational level between the clusters can be reported as cluster 2 consists of predominantly respondents who obtained a highest qualification of a National Diploma. Clusters 1 and 3 are however similar as both clusters comprised of predominantly respondents who obtained a highest qualification level of an Honours/PG Diploma Degree.

Differences in Clusters based on job level

In terms of job level for cluster 1, respondents who are in non-managerial/non-supervisory roles comprised of 17.5% and those in specialist roles, 22.5% of the cluster. Respondents in people management roles comprised of 57.5% of the cluster, where 20% are in supervisor/team leader roles, 22.5% in middle management roles and 15% in senior management roles. Executives, however, only consisted of 2.5% of the cluster. The majority of the cluster consists of those in specialist and middle management roles.

In terms of job level for cluster 2, the majority of the cluster comprised of respondents who are in non-managerial/non-supervisory roles, 42.2%. Followed by middle management roles with

a composition of 24.4% of respondents. Respondents occupying specialist roles made up 16.7% of the cluster, and those in supervisor/team leader roles, 12.2%. Cluster 2 did not comprise of many respondents in senior management roles (3.3%) and executive roles (1.1%).

In terms of job level for cluster 3, the majority of the cluster comprised of respondents who are in middle management roles, 33.3%. Followed by specialist roles with a composition of 30.8% of respondents. Respondents occupying non-managerial/non-supervisory made up 20.5% of the cluster, and those in supervisor/team leader roles, 12.8%. Cluster 3 did not have any respondents in senior management roles. Executives, however, only consisted of 2.6% of the cluster.

Differences in Clusters based on marital status

In terms of marital status, the composition of cluster 1 is 10% divorced, 52.5% married, 35% single and 2.5% preferred not to disclose their marital status. Cluster 2 comprised of 4.7% divorced, 68.6% married, 25.6% single and 1.2% of the respondents were widowed. Cluster 3 consisted of 5.1% divorced respondents, 5.38% married, 35.9% single respondents and 5.1% of the respondents preferred not to disclose their marital status. Respondents in all clusters are predominantly married and no clear differences can be reported between the clusters.

Differences in Clusters based on age

In terms of age, the composition of cluster 1 is 7% between the ages of 24-29 and respondents between the ages of 30-39 makes up the majority of the cluster with 32.5% falling in this age bracket. Respondents between the ages of 40-49 comprised 25% of the cluster and 22.5% of respondents are between the ages of 50-59. Only 2.5% of cluster 1 comprised of respondents older than 60 years.

As in cluster 1, the majority of respondents in cluster 2, are between the ages of 30-39 (36.7%), followed by respondent aged 40-49 with 23.3%. Respondents aged 24-29 comprised 17.8% of the cluster and 18.9% or respondents are aged between 50-59. Only 3.3% of cluster 2 comprised of respondents older than 60 years.

The majority of respondents in cluster 3 are between the ages of 30-39 with 35.9%, followed by those respondents aged 50-59 (25.6%). The age distribution of cluster 3 is slightly different

from the other clusters as fewer respondents are aged 40-49, (23.1%). Respondents aged 24-29 comprised 15.4% of the cluster and consisted of no respondents older than 60 years.

All clusters are predominantly respondents in the age group of 30-39, followed by respondents aged 40-49, except cluster 3, which is followed by respondents aged 50-59. However, the average age for cluster 1 (40.65) is slightly higher than the average age for cluster 2 (39.71) and cluster 3 (39.92).

The mean scores for the average age of the clusters were somewhat numerically different, but not statistically significantly different, this would suggest that there are other factors indicating the importance of reward preferences of the sample besides age.

Based on the biographical differences between the clusters, some significant differences can be reported. The highest frequencies of respondents per biographical characteristics was used to determine the composition of the clusters.

The differences are graphically presented in Figure 17.

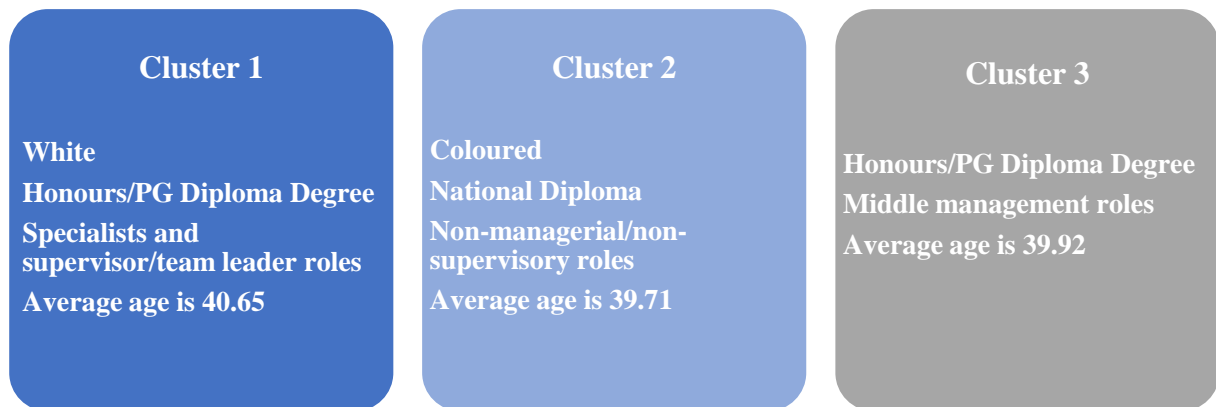


Figure 17. Biographical differences between clusters

Cluster 1

The majority of this cluster is comprised of white, specialists and supervisor/ team leaders with predominantly and Honours degree. The average age of the respondents is 40.65. Respondents in cluster 1 value talent development, specifically the sub-scales, being coached by an external business coach, receive learning opportunities related to their current position e.g. skills training, internships, apprenticeships, obtaining career development opportunities such as leadership development and accelerated management programmes. These respondents also

value being mentored by senior colleagues in the organisation and being rotated between different jobs/units/divisions to gain experience. Should there be no clear career path in place it would be quite easy to lose these individuals to competitors (Rowland, 2011) as they may resign if their specialist skills are not developed. (Roodt & Kotze, 2005). Talent development is a lengthy process especially in specialist roles and as the employee is recognised and career aspirations it may aid engagement and retention (Rowland, 2011).

Cluster 2

The majority of this cluster is comprised of coloured, non-managerial staff with a National Diploma qualification. The average age of the respondents is 39.71.

The respondents in cluster 3 place value on all reward preference elements predominantly performance management and benefits. These are individuals with a basic post matric qualification in mostly admin roles. They may not be as highly paid as managers and specialists. This group also consist of those previously disadvantaged and possibly due to the previous lack of opportunities, they place greater value on all reward elements.

These respondents may value remuneration and benefits as it can provide them with adequate medical care and retirement annuities and study loans for further studies. They may also value remuneration due to the current economic climate, heavy taxes, debt interest rates and rising food prices. They may place a high value on work-life to accommodate child care and as they may earn less money may wish to have the freedom to assist with child care. They may require recognition for their achievements and accomplishments to receive rewards linked to their performance. They may also value development in their roles and to progress to roles with increased responsibilities.

Cluster 3

The majority of this cluster is comprised of middle managers with an Honours degree qualification. The average age of the respondents is 39.92.

The respondents in cluster 3 value performance management, specifically receiving both quality and quantity of performance appraisals and feedback from their supervisor.

Summary of Findings

It should be noted that the top reward elements considered important by respondents in the current study, were mostly financially based (remuneration and benefits). Given the current economic recession, it may be likely that respondents in this study value tangible rewards and require that their basic needs be met. The respondents also placed importance on intangible rewards such as Work-Life balance, especially younger generations who may value a balanced lifestyle.

The present study results did not offer any support for the use of the popular generational model in the sample of South African employees that was obtained and did not find support for the use of the proposed age categories, based on South African history, either. This could possibly be because reward preferences may not be a function of age but rather the life stage or career stage of the individual.

Based on the choice-based conjoint analyses, the ideal mix of total rewards did indicate differences in the relative importance of total reward element preferences between the younger and older generational groups. The cluster analysis results would suggest that there are other factors indicating the importance of reward preferences of the sample besides age. The main differences in clusters were attributed to job level, qualification level and race. Further research is required to investigate the clusters that were identified.

Limitations and Recommendations for Future Research

The realised sample was obtained using non-probability convenience sampling. A limitation of using non-probability convenience sampling is that sample is not representative of the population and, therefore, generalisations beyond the current sample cannot be made. In future studies, it is recommended that probability samples be sought to investigate this research question.

As the results did not offer any support for the use of the popular generational model and did not find support for the use of the proposed age categories, created based on South African history, further research is required to investigate what factors may determine reward preferences. Distinct groupings or cohorts as based on total reward preferences were identified

using exploratory techniques. Further research is required to investigate the clusters that were identified.

Theoretical Contribution

Taking a more novel methodological approach, i.e. using choice-based conjoint analysis to assess reward preferences produced results that differ from that which was obtained using a field survey questionnaire. Choice-based conjoint analysis, which is more able to replicate the combinations of choices and related sacrifices that respondents make in making a choice provides insights that could not be gleaned from the sample if a field-survey was used. It is suggested that going forward, reward preference studies take this in mind.

Numerous research studies could be found that were conducted in South Africa, as well as many other non-American contexts that used popular US-based generational theory to determine the reward preferences of employee cohorts and to further make recommendations of how reward offerings should be tailored for these groups. The findings of the present study bring the validity of the findings and more so the recommendations of such studies, in question. It is suggested that more studies of this kind be conducted.

Practical Contribution

The findings of the current research makes a practical contribution, specifically aimed towards information that could benefit organisational total reward practices to attract, motivate and retain talent.

The current study is able to provide organisations with an indication of the combination of total rewards that an organisation could consider offering employees from various cohorts to ensure that they are retained. The study also provides companies with an indication of the total reward elements that employees from the different generational groups consider important in their retention.

These findings also provide assistance to organisations regarding the factors that should be incorporated into reward packages that cater to the distinct needs of the generational groups.

Conclusion

The aim of the present study was to firstly investigate the reward preferences of a range of employees to assess whether the popular generational model of Strauss and Howe (1991) is relevant and/or as effective in a non-American context. The current framework found no support for between generational group differences. The aim of the present study was to secondly, find support for alternative approaches to identify generational cohorts in organisations. A proposed generational cohort framework that was designed for the purposes of the present study that is based on notable South African historical events found no or limited support for between generational group differences. Also, following a data-driven exploratory approach, cluster analysis, yielded three distinct generational cohorts based on their perceived reward preferences for typical total rewards elements. Further research is required to investigate the clusters that were identified.

References

- Allen, R. S., & Kilmann, R. H. (2001). The role of the reward system for a total quality management based strategy. *Journal of Organizational Change Management*, 14(2), 110-131.
- Anglim, J. (2007). *Cluster Analysis & Factor Analysis*.
- Barkhuizen, N. (2014). Exploring the importance of rewards as a talent management tool for generation Y employees. *Mediterranean Journal of Social Sciences*, 5(27), 1100-1105.
- Bian, H. (2012). *SPSS discriminant function analysis*.
- Bright, L. (2010). Why age matters in the work preferences of public employees: A comparison of three. *Public Personnel Management*, 39(1), 1-14.
- Bussin, M. H., & Thabethe, N. N. (2018). Reward preferences in South Africa's media industry. *SA Journal of Human Resource Management*, 16(1), 1-12.
- Bussin, M., & Toerien, W. C. (2015). Influence of reward preferences in attracting, retaining, and motivating knowledge workers in South African information technology companies. *South African information*, 15(1), 1-13.
- Bussin, M., & Van Rooy, D. J. (2014). Total rewards strategy for a multi-generational workforce in a financial institution. *SA Journal of Human Resource Management*, 12(1), 1-11.
- Cadiz, D. M., Truxillo, D. M., & Fraccaroli, F. (2015). What are the benefits of focusing on generation-based differences and at what cost? *Industrial and Organizational Psychology*, 8(3), 356-362.
- Chan, A. (2014). Generational similarities/differences across cultures: *East Asian cultures*. Kochman Mavrelis Associates.
- Chawla, D., Dokadia, A., & Rai, S. (2017). Multigenerational differences in career preferences, reward preferences and work engagement among Indian employees. *Global Business Review*, 18(1), 181-197.
- Chen, H. M., & Hsieh, Y. H. (2006). Key trends of the total reward system in the 21st century. *Compensation & Benefits Review*, 38(6), 64-70.
- Close, D. S. (2015). Generational motivation and preference for reward and recognition in a South African facilities management firm (*Doctoral dissertation*).
- Codrington, G. (2008, July). *Detailed Introduction to Generational Theory*. Retrieved from www.ndaap.com/uploads/2/6/4/7/26479511/lien.pdf
- Codrington, G., & Grant-Marshall, S. (2004). *Mind the Gap!* Johannesburg: Penguin.
- Cornish, R. (2007). Statistics: cluster analysis. *Mathematics Learning Support Centre*.

- Costanza, D. P., & Finkelstein, L. M. (2015). Generationally based differences in the workplace: Is there a there there? *Industrial and Organizational Psychology*, 8(3), 308-323.
- Eggers, F. (2015). *My Preference Lab [Choice-based Conjoint Software]*. Retrieved from <http://my.preferencelab.com>.
- Eggers, F., & Sattler, H. (2011). Preference measurement with conjoint analysis. Overview of state-of-the-art approaches and recent developments. *GfK Marketing Intelligence Review*, 3(1), 36-47.
- Field, A. (2009). *Discovering statistics using SPSS (Introducing statistical methods)* (3 ed.). Thousand Oaks, CA: Sage Publications.
- Garson, G. D. (2014). *Cluster Analysis - Statistical Associates Publishing*. Asheboro, USA: Statistical Associates Publishing.
- Ghosh, R., & Chaudhuri, S. (2009). Inter-Generational differences in individualism/collectivism orientations: Implications for outlook towards HRD/HRM practices in India and the United States. *New Horizons in Adult Education and Human Resource Development*, 23(4), 5-21.
- Goh, S. C. (2012). Making performance measurement systems more effective in public sector organizations. *Measuring business excellenc*, 16(1), 31-42.
- Green, P. E., & Srinivasan, V. (1978). Conjoint analysis in consumer research: issues and outlook. *Journal of consumer research*, 5(2), 103-123.
- Green, P. E., Krieger, A. M., & Wind, Y. (2001). Thirty years of conjoint analysis: Reflections and prospects. *Interfaces*, 31(3), 56-73.
- Green, P., & Wind, Y. (1975). New way to measure consumers' judgments. *Harvard Business Review*, 53(4), 107-117.
- Gupta, S., & Sharma, A. (2016). Strategic rewards: A case based study. *Studia Mundi–Economica*, 3(2), 145-170.
- Hamilton, M., & Beck, C. (2011). Generational cycles, Saecula and cities: How do integral artists, boomers, Gen X and Millennial generations impact city values and policy development? 1-12.
- Haynes, B. P. (2011). The Impact of generational differences on the workplace. *Journal of Corporate Real Estate*, 13(2), 98-108.
- Hicks, M., & Block, L. (2014). "What's in it for me?" Targeting rewards messaging to all generations. *Benefits Quarterly*, 30(2), 47-50.

- Hlongwane, V. C., & Ledimo, O. (2015). Generational differences on work engagement levels of Government healthcare institution employees. *Journal of Governance and Regulation*, 4(1), 245-253.
- Hole, D., Zhong, L., & Schwartz, J. (2010). *Talking about whose generation?: Why Western generational models can't account for a global workforce*. Deloitte Review.
- Horwitz, F. M., Heng, C. T., & Quazi, H. A. (2003). Finders, keepers? Attracting, motivating and retaining knowledge workers. *Human resource management journal*, 13(4), 23-44.
- Jacobs, S., Renard, M., & Snelgar, R. J. (2014). Intrinsic rewards and work engagement in the South African retail industry. *SA Journal of Industrial Psychology*, 40(2), 1-13.
- Jiang, Z., Xiao, Q., & Xiao, L. (2009). Total reward strategy: A human resources management strategy going with the trend of the times. *International Journal of Business and management*, 4(11), 177-183.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of management journal*, 33(4), 692-724.
- Knight, Y. (2009). Talkin' 'bout my generation: A brief introduction to generational theory. *Planet*, 21(1), 13-15.
- Kwon, J., & Hein, P. (2012). Employee benefits in a total rewards framework. *Benefits Quarterly*, 29(1), 32-38.
- Leech, N., Barrett, K., & Morgan, G. A. (2005). *SPSS for intermediate statistics: Use and interpretation* (2 ed.). London: Lawrence Erlbaum Associates.
- Lester, S. W., Standifer, R. L., Schultz, N. J., & Windsor, J. M. (2012). Actual versus perceived generational differences at work: An empirical examination. *Journal of Leadership & Organizational Studies*, 19(3), 341-354.
- LifeCourse Associates. (2018). *Turnings: Introduction*. Retrieved from <http://www.lifecourse.com/about/method/turnings-introduction.html>.
- Lix, L., & Sajobi, T. (2010). Discriminant analysis for repeated measures data: a review. *Frontiers in psychology*, 1(146), 1-9.
- Locke, E. A., & Latham, G. P. (2004). What should we do about motivation theory? Six recommendations for the twenty-first century. *Academy of management review*, 29(3), 388-403.
- Luthans, F. (2011). *Organizational behavior: An evidence-based approach*. McGraw-Hill.
- Luthans, F., & Youssef, C. M. (2004). Human, social, and now positive psychological capital management: Investing in people for competitive advantage. *Organizational Dynamics*, 33(2), 143-160.

- Lyons, F. H., & Ben-Ora, D. (2002). Total rewards strategy: The best foundation of pay for performance. *Compensation and Benefits Review*, 34(2), 34-40.
- Mabaso, C. M., & Dlamini, B. I. (2018). Total rewards and its effects on organisational commitment in higher education institutions. *SA Journal of Human Resource Management*, 16(1), 1-8.
- MacGrain Herkenhoff, L. M. (2000). *National Remuneration (Pay) Preferences: Cultural Analysis Within the Hofstede Model Using Cultural Values to Untangle the Web of Global Pay*. Organization and Labor Studies, University of Western Australia.
- Macky, K., Gardner, D., & Forsyth, S. (2008). Generational differences at work: Introduction and overview. *Journal of Managerial Psychology*, 23(8), 857-861.
- Martin, T. N., & Ottemann, R. (2016). Generational workforce demographic trends and total organizational rewards which might attract and retain different generational employees. *Journal of Behavioral and Applied Management*, 16(2), 91-115.
- Martins, N., & Martins, E. C. (2014). Perceptions of age generations regarding employee satisfaction in a South African organisation. *Mediterranean Journal of Social Sciences*, 5(21), 129-140.
- Miller, R. L., Acton, C., Fullerton, D. A., & Maltby, J. (2002). *SPSS for Social Scientists*. Hampshire and New York: Palgrave Macmillan.
- Mitchell, T. R., & Mickel, A. E. (1999). The meaning of money: An individual-difference perspective. *Academy of management review*, 24(3), 568-578.
- Mo'oamin, M. R., & Hamad, B. S. (2015). Using cluster analysis and discriminant analysis methods in classification with application on standard of living family in Palestinian areas. *International Journal of Statistics and Applications*, 5(5), 213-222.
- Moore, A., & Bussin, M. (2012). Reward preferences for generations in selected information and communication technology companies. *SA Journal of Human Resource Management*, 10(1), 1-9.
- Mujtaba, B. G., & Shuaib, S. (2010). An equitable total rewards approach to pay for performance management. *Journal of Management Policy and Practice*, 11(4), 11-121.
- Nienaber, R., Bussin, M. H., & Henn, C. (2011). The relationship between personality types and reward preferences. *Acta Commercii*, 2011(Special issue 1), 56-79.
- Orme, B. (2000). *Hierarchical bayes: Why all the attention?* Washington: Sawtooth Software research paper series.
- Orme, B. (2009). *Which conjoint method should I use?* Washington: Sawtooth Software.

- Perryer, C., & Plowman, D. (2011). Studying generational cohorts: Conceptual stances and approaches. *AFBE Journal*, 3(8), 455-463.
- Petera, P. (2011). Evaluating the quality of rewards systems. *European Financial and Accounting Journal*, 6(3), 66-91.
- Peterson, S. J., & Luthans, F. (2006). The impact of financial and nonfinancial incentives on business-unit outcomes over time. *Journal of applied Psychology*, 91(1), 156-165.
- Pitt-Catsoupes, M., & Matz-Costa, C. (2008). The multi-generational workforce: Workplace flexibility and engagement. *Community, work and Family*, 11 (2), 215-229.
- Putre, L. (2013). Generations in the workplace.(Cover story). *H&HN Hospitals and Health Networks*, 87(1), 26-31.
- Ramlall, S. (2004). A review of employee motivation theories and their implications for employee retention within organizations. *Journal of American Academy of Business*, 5(1), 52-63.
- Reynolds, L. A. (2005). Benefits Quarterly. *Communicating total rewards to the generations*, 21(2), 13-17.
- Roodt, G., & Kotze, K. (2005). Factors that affect the retention of managerial and specialist staff: An exploratory study of an employee commitment model. *SA Journal of Human Resource Management*, 3(2), 48-55.
- Rothmann, S. (2003). Burnout and engagement: A South African perspective. *SA Journal of Industrial Psychology*, 4, 16-25.
- Rowland, M. (2011). How to cement a diversity policy: The key role of talent development. *Human Resource Management International Digest*, 19(5), 36-38.
- Rumpel, S., & Medcof, J. W. (2006). Total rewards: Good fit for tech workers. *Research-Technology Management*, 49(5), 27-35.
- Ryan, R. M., & Deci, E. L. (2000). Intrinsic and extrinsic motivations: Classic definitions and new directions. *Contemporary educational psychology*, 25(1), 54-67.
- SAHO. (2018, March 15). *South African History Online (SAHO)*. Retrieved from <https://www.sahistory.org.za/>.
- Salkind, N. J. (2012). *Exploring research*. New Jersey: Pearson Education. Inc.
- Scott, D. (2010). *The impact of rewards Programmes on employee engagement*. WorldatWork. Hay Group.
- Shuck, B. (2011). Integrative literature review: four emerging perspectives of employee engagement: an integrative literature review. *Human Resource Development Review*, 10(3), 304-328.

- Shuck, B., & Wollard, K. (2010). Employee engagement and HRD: A seminal review of the foundations. *Human resource development review*, 9(1), 89-110.
- Silverman, M. (2004). *Non-financial recognition: The most effective of rewards?* Brighton: Institute for Employment Studies.
- Smola, K. W., & Sutton, C. D. (2002). Generational differences: Revisiting generational work values for the new millennium. *Journal of Organizational Behavior*, 23(4), 363-382.
- Snelgar, R. J., Renard, M., & Venter, D. (2013). An empirical study of the reward preferences of South African employees. *SA Journal of Human Resource Management*, 11(1), 1-14.
- Statistics SA. (2018, August 1). *Women in power: what do the statistics say?* Retrieved from <http://www.statssa.gov.za/?p=10325>.
- Statistics South Africa. (2016). *Community survey 2016 Provincial profile: Western Cape*. Pretoria: Statistics South Africa.
- Statistics South Africa. (2018). *Mid-year population estimates, South Africa 2018*. Pretoria: Statistics South Africa.
- Steers, R. M., Mowday, R. T., & Shapiro, D. L. (2004). The future of work motivation theory. *Academy of Management review*, 29(3), 379-387.
- Strauss, W., & Howe, N. (1991). *Generations: The history of America's future, 1584 to 2069*. (1st ed.). New York: William Morrow and Company, Inc.
- Sullivan, S. E., Forret, M. L., Carraher, S. M., & Mainiero, L. A. (2009). Using the kaleidoscope career model to examine generational differences in work attitudes. *Career Development International*, 14(3), 284-302.
- Tarique, I., & Schuler, R. S. (2010). Global talent management: Literature review, integrative framework, and suggestions for further research. *Journal of world business*, 45(2), 122-133.
- Thompson, L. (2000). *A History of South Africa* (3 ed.). New Haven and London: Yale University Press.
- Tolbize, A. (2008). Generational differences in the workplace. *Research and training center on community living*, 5(2), 1-21.
- (2012). *Total Reward Toolkit*. Washington,: Grameen Foundation Human Capital Center.
- Tredoux, C., & Durrheim, K. (2002). *Numbers, Hypotheses & Conclusions: A Course in Statistics for the Social Sciences*. Cape Town: UCT Press.

- Twenge, J. M., Campbell, S. M., Hoffman, B. J., & Lance, C. E. (2010). Generational differences in work values: Leisure and extrinsic values increasing, social and intrinsic values decreasing. *Journal of management*, 36(5), 1117-1142.
- Van der Walt, F., Jonck, P., & Sobayeni, N. C. (2014). Work ethics of different generational cohorts in South Africa. *African Journal of Business Ethics*, 8(1), 52-66.
- Welman, J. C., & Kruger, S. J. (2001). *Research Methodology for the Business and Administrative Sciences* (2 ed.). New York: Oxford University Press.
- Westerman, J. W., & Yamamura, J. H. (2007). Generational preferences for work environment fit: Effects on employee outcomes. *Career Development International*, 12(2), 150-161.
- Wong, M., Gardiner, E., Lang, W., & Coulon, L. (2008). Generational differences in personality and motivation: do they exist and what are the implications for the workplace? *Journal of Managerial Psychology*, 23(8), 878-890.
- WorldatWork. (2007). *Attraction and retention: The impact and prevalence of work-life & benefit Programmes*.
- WorldatWork. (2008). Total Rewards Model. Scottsdale, Arizona.
- WorldatWork. (2008). *WorldatWork total rewards model: A framework for strategies to attract, motivate and retain employees*. Retrieved from <http://www.worldatwork.org/waw/aboutus/html/aboutus-what-is.html>
- WorldatWork. (2010). *The relative influence of total rewards elements on attraction, motivation and retention*.
- Wuensch, K. L. (2016). Cluster Analysis With SPSS.
- www.dobney.com. (n.d.). *What is conjoint analysis?* Retrieved from www.dobney.com/Conjoint/Conjoint_analysis.htm.
- Yim, O., & Ramdeen, K. T. (2015). Hierarchical cluster analysis: comparison of three linkage measures and application to psychological data. *The quantitative methods for psychology*, 11(1), 8-21.
- Zhang, H. F. (2017). *Hierarchical clustering of observations and features in high-dimensional data*. Doctorate thesis.
- Zingheim, P. K., & Schuster, J. R. (2008). Managing total compensation to achieve multiple objectives. *MWorld*, 7(1), 37-40.

APPENDICES

Appendix A: Total Rewards Questionnaire

The following questions are meant to assess how important different employee rewards and benefits are to you. Please indicate on a scale from 1 to 5 (1 = not at all important to 5 = very important for you) **how important being offered each of the following rewards and/or benefits are to you:**

1. Employee wellness programmes (e.g. fitness programmes, gym membership, employee assistance programmes)
2. A competitive market-related salary (i.e. cash)
3. Financial risk-related benefits (e.g. medical aid, retirement/pension benefits)
4. Short-term performance and/or incentive bonuses based on individual performance
5. A well-above market-related salary (i.e. cash)
6. Short-term performance and/or incentive bonuses based on team/unit/division/organisation Being provided extensive support from your supervisor/manager performance
7. Long-term retention bonuses (e.g. share options, retention bonuses paid out every 5 years, phantom share schemes)
8. Learning opportunities related to your current job/position (e.g. skills training, internships, apprenticeships)
9. Career development opportunities (e.g. leadership development, accelerated management programmes)
10. Being coached by an external business coach
11. Being mentored by senior colleagues in the organisation
12. Being provided extensive support from your supervisor/manager
13. Being challenged in your job (e.g. being given challenging work goals/deliverables)
14. Having a manageable workload and being able to work at a reasonable pace
15. Work and personal life balance (e.g. time off for family commitments, day-care facilities at work,)
16. Flexible working hours (i.e. flexi-time)
17. Flexible work arrangements (e.g. work from home, reduced working hours)
18. Study leave to further your studies and obtain a further qualification
19. Autonomy in your job (e.g. choose your own work methods, extensive decision-making capacity)
20. Your contributions/accomplishments are valued and regularly recognised
21. The regular provision of non-financial awards (e.g. certificates of excellence, employee of the month, CEO awards dinners)
22. An organisational culture that respects and appreciates personal differences (e.g. race, gender, age, sexual preference)
23. The quality and quantity of performance appraisals and feedback from your supervisor/manager
24. Having friends at work
25. Team building and/or other social networking activities

26. Rotating between different jobs/units/divisions to gain experience and/or international secondments to gain experience

Conjoint attributes and levels

	Level 1	Level 2	Level 3
Remuneration (pay)	Well-above market-related salary + 13 th cheque + annual performance bonus	Market-related (average) salary + a 13 th cheque	Below market-related salary. No bonuses
Benefits	Well-above market-related contribution to employee benefits	Average (market-related) contribution to employee benefits	No employee benefits
Work-life	Practices, policies and programmes + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	Some support for family commitments of employees (e.g. flexible work hours, time off for family commitments)	No support for the family commitments of employees. Not a family-friendly organisation
Talent development	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	In-house learning and development opportunities (company training courses)	On the job training by supervisors/managers
Performance Management	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals	Have a job description available and annual performance appraisal with manager/supervisor.	Ambiguous goals/expectations; no job description available. Poor or limited performance management by supervisors/managers.
Recognition	Regular formal and informal recognition of effort/ accomplishments (certificates of excellence, on the spot rewards, CEO dinners, paid for holidays)	Formal recognition of extraordinary accomplishments (e.g. employee of the month)	No recognition of efforts/ accomplishments by supervisors/managers

Appendix B Survey Cover Letter



Dear respondent

I am currently studying towards my Masters Degree in Organisational Psychology at the University of Cape Town. You are invited to participate in a research study under the supervision of Professor Anton Schlechter. The focus of the research is to investigate generational differences in total reward preferences.

The survey should take approximately 15 minutes to complete and your responses will remain anonymous. The data will further not be used in any manner as to identify a specific individual. Your participation in this research is voluntary and you are not required to disclose your name anywhere on the questionnaire. All responses will be treated confidentially and will only be used for the purposes of this research. This research project has been approved by the Commerce Faculty Ethics in Research Committee at the University of Cape Town.

By participating, you will be eligible to enter a lucky draw and stand a chance of winning either a R500 Woolworths gift voucher or a R500 @home gift voucher. To participate in the lucky draw, you need to enter your e-mail address at the end of the questionnaire. Your e-mail address will in no way be linked to your responses in the questionnaire to ensure your anonymity.

If you have any questions regarding the research, please contact the researcher Aayesha Davids at DVDAAY001@myuct.ac.za or the supervisor Prof. Anton Schlechter at anton.schlechter@uct.ac.za.

Thank you in advance for your participation and cooperation.

Proceed to next page

Appendix C

First page of Reward Preferences Questionnaire using Likert-type Response Scales

Progress:



Indicate on a scale from 1 to 5 (where 1 = not at all important and 5 = very important for you) how important and/or desirable being offered each of the following rewards and/or benefits are to you.

	Not at all important	Not important	Moderately important	Slightly important	Very important
Employee wellness programmes (e.g. fitness programmes, gym membership, employee assistance programmes)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A competitive market-related salary (i.e. cash)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial risk-related benefits (e.g. medical aid, retirement/pension benefits)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short-term performance and/or incentive bonuses based on individual performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A well-above market-related salary (i.e. cash)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Short-term performance and/or incentive bonuses based on team/unit/division/organisation performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Long-term retention bonuses (e.g. share options, retention bonuses paid out every 5 years, phantom share schemes)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Learning opportunities related to your current job/position (e.g. skills training, internships, apprenticeships)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Career development opportunities (e.g. leadership development, accelerated management programmes)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being coached by an external business coach	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being mentored by senior colleagues in the organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being provided extensive support from your supervisor/manager	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being challenged in your job (e.g. being given challenging work goals/deliverables)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Having a manageable workload and being able to work at a reasonable pace	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

[Proceed to next page](#)

Appendix D

First page of Reward Preferences Questionnaire using Conjoint Analysis

Progress:



Select the reward offering i.e. reward package which you consider to be the most attractive to you.

If none of the reward offerings are attractive to you, choose Option 4 (none).


	1	2	3	4
Remuneration (pay):	Market-related (average) salary + a 13th cheque	Well-above market-related salary + 13th cheque + annual performance bonus	Below market-related salary. No bonuses	None
Benefits:	Average (market-related) contribution to employee benefits	No employee benefits	Well-above market-related contribution to employee benefits	
Work-life:	Some support for family commitments of employees (e.g. flexible work hours, time off for family commitments)	Practices, policies and programs + a family-friendly philosophy that actively supports employees (e.g. reduced work hours, flexible working arrangements, crèche at work)	No support for the family commitments of employees. Not a family-friendly organisation	
Talent development:	Extensive opportunities to advance in both short- and long-term career goals (e.g. leadership development programmes, bursaries)	On the job training by supervisors/managers	In-house learning and development opportunities (company training courses)	
Performance Management:	Have a job description available and annual performance appraisal with manager/supervisor.	Good performance management (incl. clear expectations, regular appraisals and feedback). Efforts clearly aligned with the achievement of business goals.	Ambiguous goals/expectations; no job description available. Poor or limited performance management by supervisors/managers.	
Recognition:	No recognition of efforts/accomplishments by supervisors/managers	Regular formal and informal recognition of effort/accomplishments (certificates of excellence, on the spot rewards, CEO dinners, paid for holidays).	Formal recognition of extraordinary accomplishments (e.g. employee of the month).	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Appendix E

First page of Reward Preferences Questionnaire Biographical Information

Progress: 73%

The following information will be solely used for research purposes.
Please select or fill in the appropriate information:



Type of organisation

Private

Public

Indicate your industry sector

Construction

Finance and Insurance

Government and Public Administration

Information Technology

Legal Services

Retail

Other? please specify:

Proceed to next page