



# THE RELATIONSHIP BETWEEN PERSONALITY TYPES AND REWARD PREFERENCES

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## ABSTRACT

*Against the continuous need to attract, retain and motivate key employees, the aim of this study was firstly to determine the relationship between personality types and reward preferences. Furthermore, the relationships between demographic variables such as age, gender, race, educational qualifications and reward preferences were explored, an empirical total rewards model was developed and the reward categories that mostly contribute to the attraction, retention and motivation of employees, were assessed. The research design was quantitative and exploratory relational. Data was collected through two web-based questionnaires, the MBTI® and the Rewards Preferences Questionnaire that assessed the respondents' personality types and reward preferences respectively. The results indicated that there is a significant relationship between personality preference, personality temperament, different demographic variables and reward preferences, but a less significant relationship between personality type and reward preferences. Based on the research findings a new total rewards model was developed incorporating a different combination of rewards components than those indicated in rewards models in existing literature.*

**Key words:** rewards management, total rewards model, personality type, reward preferences, motivation, retention, flexible reward practices.

## INTRODUCTION

A work environment characterised by a global shortage of key skills (Corporate Leadership Council, 2008); changing needs of employees (Claus, 2007; Grant Thornton, 2008); and more flexible reward practices (Abboud, 2007; Olson, Van Bever & Verry, 2008) form the rationale for this study. Increasingly, employers realise that the core asset of the modern business enterprise does not lie in buildings and in investments, but in the intelligence, skills and experience of employees who need to be retained (Harvard Business Review, 2003). The attraction and retention of employees was in fact cited as the key priority for HR professionals in 2004 and continues to be at the end of 2008 (Frank, Finnegan & Taylor, 2004; Giancola, 2008).

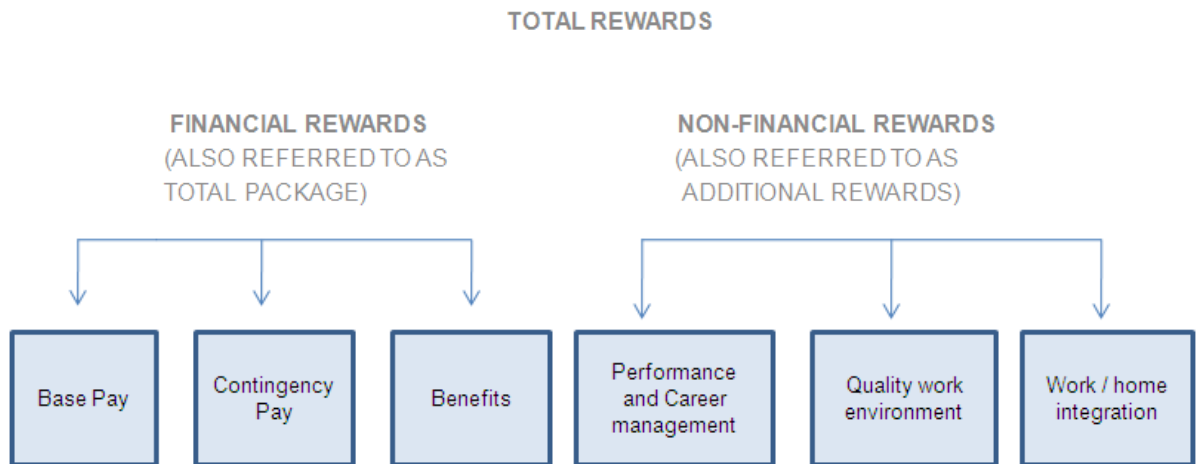
Retention is critical for employers as it influences expenses on two levels, namely directly through staff turnover expenses (for example recruitment costs, lost productivity, training and development and lost opportunity costs) and indirectly through aspects such as engagement (Corporate Leadership Council, 2004). There is a high correlation between retention, engaged employees and financial sustainability of organisations (Bussin, 2008a; Bussin, 2008b; Deloitte, 2004; Schaufeli & Enzmann, 1998).

One way in which organisations can respond to employee demands is by understanding the reward preferences of employees (Linkow, 2006). More specifically, there are many rewards other than pay that should be considered by management (Grant Thornton, 2008; Murlis, 1996). While Armstrong (2006) indicates that most employers do not have high levels of sensitivity towards the reward preferences of their employees, employees themselves, especially those with key skills, are becoming more demanding and require organisations to make exceptions on the basis of their individual preferences (Herman & Gioia, 2000). Kaliprasad (2006) confirms that when management actively listens to the preferences of employees, this results in higher levels of motivation and engagement.

One solution to this dilemma is to address employee needs through a holistic, integrated and business-aligned approach to reward management. This *total rewards strategy* flows from the organisation's business and human resources strategies, and aligns to the organisational goals (Armstrong & Thompson, 2002). The *total rewards* concept is multi-dimensional and developed from an array of different disciplines. The interest in reward practices has increased significantly over the past 10 – 15 years, emanating from the initial basic understanding of pay and benefits to what is now commonly categorised into financial (also referred to as transactional or tangible rewards), non-financial (also referred to as relational or intangible rewards), intrinsic and extrinsic rewards as part of a total rewards model (Du Toit et al., 2007; WorldatWork, 2007). If total reward models are flexible and adapt to environmental, individual and organisational changes it is a critical lever to motivate, attract and retain talented employees and can positively influence productivity by up to 35% (Hill & Tande, 2006; Lawler, 1990; Menefee & Murphy, 2004).

There is a wide range of approaches on the development of *total rewards models*. Despite differing opinions around the nomenclature used in the reward categories, and the categorisation thereof, the inherent meaning of the different categories is mostly similar. In addition, typically organisations arrive at their own definition of total rewards and brand it accordingly (Milkovich & Newman, 1999; Keuch, Chuang, May & Sheldrake, 2006). Based on an analysis of the literature (Armstrong & Brown, 2006; Berger & Berger, 2004; Corporate Leadership Council, 2008; Crawford & Giowa, 2008; Gross & Friedman, 2007; Herman & Gioia, 2000; Lawler, 2000; Milkovich & Newman, 1999; Towers Perrin, 2007 and Zingheim & Schuster, 2007) a total rewards model with key components has been developed. This model, depicted in Figure 1, encompasses all the key components identified in the literature.

**Figure 1: Categories of the theoretical total rewards model**



The categories shown in Figure 1, as well as the underlying components thereof, play a critical role in the motivation and retention of employees (Hankin, 2005). The prevailing view is that salary is still considered a major determinant of work motivation and appropriate work behaviours (Deci & Ryan, 2000; Harvard Business Review, 2001; Henderson, 2003). Yet, if an organisation focuses solely on remuneration, this may not be sufficient to sustain motivation (Bergmann & Scarpello, 2001). Organisations that incorporate financial and non-financial rewards are more likely to compete successfully in the global employment market (Gerhart & Rynes, 2003; Stein, 2007).

There is paucity of empirical research on the efficacy of different components of the total rewards model, especially within a South African context. Research conducted amongst employees in Europe and North America indicate that people have different reward preferences, that different categories of the rewards model have different value for employees and ultimately that understanding and responding to employee reward preferences drive commitment, engagement and retention (Armstrong & Thompson, 2002; Corporate Leadership Council, 2002). In addition, employees working for one organisation but within different geographic locations such as China, Japan, Germany and the USA, have distinctly different reward preferences and motivators; and where rewards models are tailored according to cultural differences, the motivational effectiveness

thereof increases (Chiang, 2005; Gunkel, 2006; MacGrain Herkenhoff, 2000; Rehu, Lusk & Wolff, 2006).

Flexible total rewards models may sound appealing to many employees, but the reality is that for most organisations it is impossible to administer unique individualised reward requests due to the onerous administrative burden. A way of overcoming this difficulty is to segment the workforce and to structure reward models according to the preferences of different employee segments (Gross & Edelsten, 2006). Total rewards models designed in accordance with the reward preferences of employee segments can have maximum impact at no additional or even lower cost (Harris & Clements, 2007).

Literature abounds with research that proves that motivated employees are more productive and engaged (Furnham, 2003; Mkhelane, 2008). Motivation influences the direction, intensity and persistence of behaviour and impacts organisational performance (Weiten, 1992). Motivation levels are strongly influenced by, amongst others, personality, work environment and rewards (Miner, 2005). It is therefore important for managers to understand more about all these components that influence motivation levels of their employees. (Linder, 2000; Moss-Kanter, 2003; Nohria, Groysberg & Lee, 2008; Steel & König, 2006; Thomas, 2002).

Personality is considered to be formed as a result of combined hereditary (genetic) and environmental factors, moderated by situational conditions and has a big impact on how people are motivated (Murphy, 2008; Robbins, Odendaal & Roodt, 2003). Personality is typically described in terms of traits or types. Personality traits are characteristics exhibited in a large number of situations and are used to describe peoples' behaviour in different situations (Robbins et al., 2003). Traits are relatively stable and enduring aspects of individuals that distinguish them from other people (Martin, 2005). Personality type, on the other hand, refers to a combination of various personality traits and preferences (Myers, 1998). Personality types, in terms of Jungian theory (1971) refer to the mental functions involved in gathering information and making decisions on the basis of this information. Jung (1971) concludes that differences in behaviour result from peoples' inborn tendencies to use their minds in different ways. As people act on

these tendencies, they develop predictable patterns of behaviour (McCaulley, 1998). When people differ systematically in what they perceive and in how they reach conclusions, this contributes to different interests, reactions, values, motivations and skills (Bayne, 2004). The Myers-Briggs Type® Indicator, one of the most widely used personality assessment instruments used worldwide, has been designed in accordance with Jung’s theory of personality types (CPP, 2008; DuBrin, 2005; Kroeger & Thuesen, 1998; Reinhold, 2008).

The eight personality preferences originally identified by Jung, are clustered into four polar personality dimensions of Extraversion (E) and Introversion (I), Sensing (S) and Intuition (N), Thinking (T) and Feeling (F) and Judging (J) and Perceiving (P). A combination of the personality preferences make up a psychological typology (Myers, 1998). The inherent different characteristics of the eight preferences, give rise to the uniqueness of personality types when these preferences are combined into 16 different types. The 16 different types are indicated in Table 1.

**Table 1: MBTI® 16 personality types**  
(Myers & Myers, 1995)

		Sensing Types		Intuitive Types	
		Thinking	Feeling	Feeling	Thinking
Temperaments		-ST-	-SF-	-NF-	-NT-
Introvert	I-J	ISTJ	ISFJ	INFJ	INTJ
	I-P	ISTP	ISFP	INFP	INTP
Extravert	E-P	ESTP	ESFP	ENFP	ENTP
	E-J	ESTJ	ESFJ	ENFJ	ENTJ

Table 1 indicates the combination of the different personality preferences forming 16 different personality types. Also indicated in Table 1 are the four *temperaments* that are considered a sub-set of behaviour. There are four variations of each of the four temperaments representing the sixteen personality types (Kroeger & Thuesen, 1988; Linder, 2000).

The relationship between pay and personality traits has been the subject of past research. Findings showed that extraverts are more inclined to be motivated by money and introverts are more motivated by fear of punishment; conscientious people prefer equity (fair differentiation) over equality (similar) in reward systems (Furnham & Argyle, 1998). A positive relationship between certain personality traits (extraversion, conscientiousness, aggression) and levels of earnings has also been confirmed as well as a correlation between gender and earnings (Bartlett, Grant & Miller, 1990; Bowles, Gintis & Osborne, 2001; Müller & Plug, 2005). There appears to be limited research on the relationship between *personality types* and reward preferences which is surprising given the universal importance of money and the role that rewards play in the attraction and retention of employees. Personality types and different demographic groups were therefore selected as employee segments for which reward preferences were explored.

Total rewards positively contribute to employee engagement, retention, organisations' employee value propositions and organisational performance. The influence is even more significant when the reward offering is designed in accordance with employee preferences (Butler & Waldroop, 2004; Giancola, 2007; Sung & Todd, 2004; Werhane, 2008). Differences in reward preferences can be assessed in a number of different ways. In this study, reward preferences are measured for demographic groups as well as respondents with a preference for different personality types, preferences and temperaments.

The following research questions formed the basis of this study:

The **primary research question** was:

Is there a relationship between personality type and reward preferences?

The **secondary research questions** were:

- What is the relationship between the reward categories and underlying components of the total rewards model?
- What influence do the demographical variables have on reward preferences?

- What categories of the total rewards model contribute to the attraction, retention and motivation of employees?

## RESEARCH DESIGN

The research design was quantitative and exploratory relational. The research variables were defined as follows:

- a) the *independent variable* was the employee's personality type as defined by the MBTI® instrument;
- b) the *dependent variables* were the categories and components that form part of the total rewards model, and
- c) *demographic variables* namely age, gender, race and educational qualifications.

Two measuring instruments were used namely the Rewards Preferences Questionnaire (Annexure 1) and the web-based MBTI® Form GRV (Global Research Version) questionnaire. The Rewards Preference Questionnaire was informed by the theoretical total rewards model (Figure 1 with additional underlying components) and tested on a pilot group. A combination of nominal, semantic differential and forced ranking scales were used in the design of the questionnaire. The Cronbach Alpha coefficient yielded a good reliability coefficient of 0.84. The MBTI® Form GRV has recently been made available by CPP, Inc and is a combination of the response items contained in Forms M and Q (CPP, 2008). Forms M and Q have been well researched and the psychometric properties thereof have been well established. Internal consistency, reliability and validity have been confirmed (Taylor & Yiannakis, 2007; Taylor & Yiannakis, 2009).

The measuring instruments were distributed to 5,000 potential respondents extracted from the client listing of 21<sup>st</sup> Century Business & Pay Solutions, one of the largest reward consulting houses in the southern hemisphere; the member list of the South African Reward Associations, a non-profit South African based association aimed at promoting and developing the reward profession, and Nedbank Group Ltd employees employed at its head office in Sandton,

Johannesburg. A total of 894 completed Rewards Preferences Questionnaires and 787 Form GRV questionnaires were captured on two separate servers. This represents a response rate of 17.88% and 15.74% respectively. Respondents were requested to use the same unique password on both questionnaires in order to match their personality type with their reward preferences, whilst protecting anonymity. Of the returned Form GRV questionnaires, 195 questionnaires could not be used as the passwords used on the two questionnaires did not match. Sample one refers to the 592 Form GRV responses on which the relationship between reward preferences and personality type, preferences and temperaments respectively were assessed. Sample two refers to the 894 Reward Preferences Questionnaires that were used to analyse reward preferences for different demographic variables.

## **RESULTS**

In Sample one (N=592), the majority of respondents were women (59.8%) and white (74.7%). Most of the respondents (49.5%) fell in the age grouping 18 – 38 years, reported being married or living together (69.9%) with either no children (39.2%) or more than two children (36.7%). In addition, 40% of the respondents obtained a degree or diploma and 39.2% reported to have a post-graduate qualification. A large portion of the respondents (37%) were employed in specialist or professional positions and the second largest grouping (25.2%) were employed in senior management positions. In terms of completed years' of service, 36% of the sample reported to have ten years or longer working experience with their current employer.

In Sample two (N=894), the majority of respondents were women (59.1%) and white (64.8%). The largest portion of the sample fell in the age category 28 years – 38 years (43%), reported being married or living together (67%) with no children (41.5%). A large grouping reported having ten years or more experience with their current employer (34.3%), having at least a degree or diploma (40.3%), and they are mostly employed in specialist or professional positions (35.3%). The distribution in terms of the demographic variables of the two sample groups was very similar.

## Factor analysis results

The Kaiser-Meyer-Olkin measures of sampling adequacy for the scale used in the Rewards Preferences Questionnaire indicated that a factor analysis on the data collected would be useful (0.807). A first order factor analysis was done on the 45 items included in Section 2 of the Rewards Preferences Questionnaire. The principal component factor analysis method was used and rotated according to the Varimax rotation with Kaiser normalisation in order to cluster the different reward components together. Eleven factors were extracted through this process. The component loadings on the eleven factors are shown in Annexure 2. A name that best describes each reward category and related to the relevant reward components was allocated to each factor. From the eleven reward factors, three factors had Eigenvalues greater than unity that are shown in Table 2.

**Table 2: Eigenvalues that explain total variance**

Factor	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	3.528	35.283	35.283
2	1.355	13.555	48.837
3	1.064	10.638	59.475

From the table above can be seen that three factors explained 59.48% of the variance in the factor matrix. The eleventh factor was excluded from further analysis as the data did not support the inclusion thereof. Despite the poor reliabilities attributed to factors seven to ten, it was decided to include all ten factors in the total rewards model as the purpose of the research was not to evaluate the instrument for psychometric purposes, but to design a total rewards model on the basis of reward preferences.

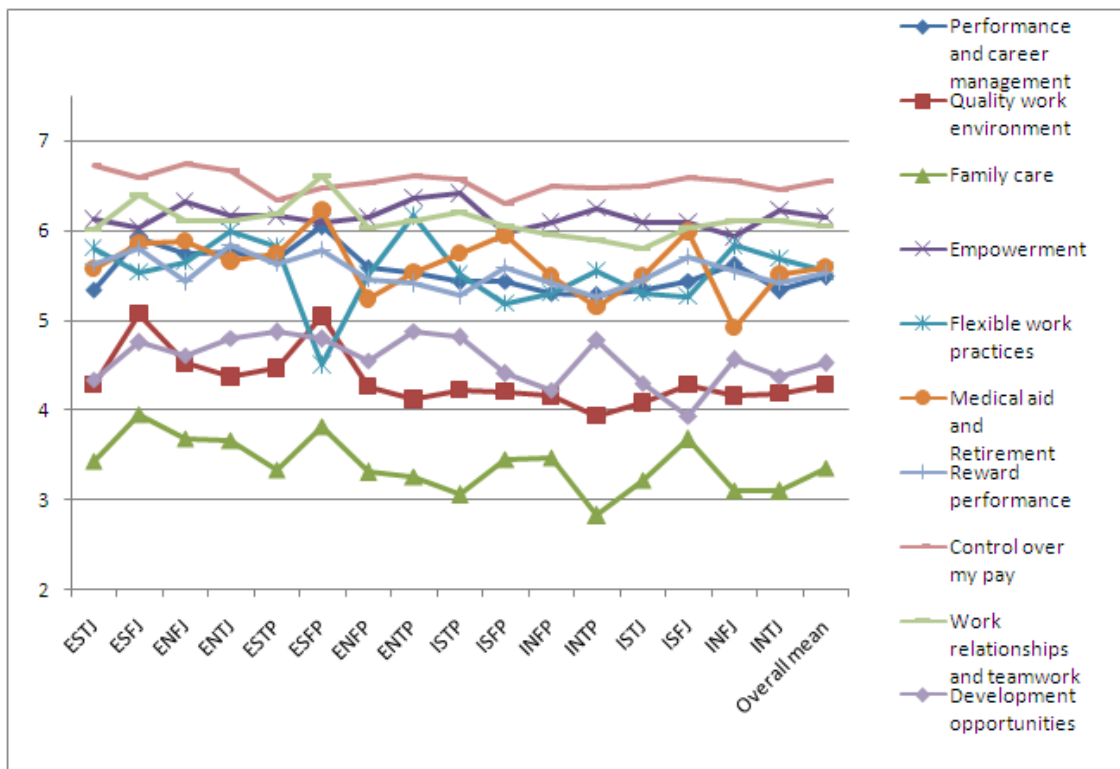
Post the factor analysis, the ten new reward categories were, from the knowledge gained from the literature review, clustered into financial and non-financial type rewards. Annexure 3 contains the new total rewards model and Annexure 4 indicates the reward components that underlie the ten reward categories.

## Personality type distribution

The primary research question was to determine the relationship between personality type and reward preferences. In terms of the distribution of *personality types*, ISTJ was the most prevalent personality type (19.5%) and ESTJ the second most prevalent type (9.8%). In six of the personality types, the sample size was less than 30 of which three were less than 20. It was decided that the types for which fewer than 20 responses were received, would be excluded from the analysis namely ENFJ, ISFP and INFJ. Therefore, 13 types were used in the analysis of the data.

## The relationship between personality and reward preferences

The distribution of preferences (in terms of the mean scores) for different reward categories as reported by different personality types is depicted in Figure 2.



**Figure 2: Preferences for reward categories as indicated by personality types**

Figure 2 illustrates that different mean scores were reported for the different personality types of which the highest preference reported by almost all personality types, was for *Control over my pay*. Other reward categories where different mean scores were apparent on the graph were *medical aid and*

*retirement funds, flexible work practices, development opportunities, family care and quality work environment.* However, when the Test of Normality (Kolmogorov-Smirnov) and Levene's test of Equal variances were conducted on the raw data, the principles were violated and a normal distribution was not always evident. This could be as a result of the fact that the sample sizes on the different personality types were too small. The results of the One-Way ANOVA calculated on the group of 13 types and ten reward categories showed no statistical significant differences in the mean scores. With the use of the post hoc Scheffe and Tamhane tests, however, some significant scores were observed. A summary of the statistical significant differences between the different personality types in respect of their preference for the reward categories is included in Table 3.

**Table 3: Statistical significant differences between *personality type* and reward preferences (mean indicated in parenthesis)**

Reward categories		
Performance and career management	Quality work environment	Work relationships and teamwork
ESFP (6.04) and ESTJ (5.34)	ESFJ (5.07) and ISTJ (4.08)	ESFP (6.60) and ISTJ (5.81)
ESFP (6.04) and INFP (5.30)		
ESFP (6.04) and INTP (5.27)		
ESFP (6.04) and ISTJ (5.33)		
ESFP (6.04) and INTJ (5.24)		

From Table 3 it can be seen that personality types ESFP, ESTJ, INFP, INTP, ISTJ and INTJ indicated significantly different preferences for *performance and career management*. Personality types ESFJ and ISTJ indicated significant different preferences for *quality work environment*. Personality types ESFP and ISTJ indicated significant different preferences for *work relationships and teamwork*.

A secondary analysis was conducted on the dataset where the relationship between *personality preference* and reward preferences was explored. More statistical significant differences were found compared to the analysis done on personality types. Table 4 provides a summary of the results.

**Table 4: Significant differences between *personality preferences* and preferences for reward categories (mean scores indicated in parenthesis)**

Reward categories	Personality preferences			
	Extraversion (E) / Introversion (I)	Sensing (S) / Intuition (N)	Thinking (T) / Feeling (F)	Judging (J) / Perceiving (P)
Performance and career management	E (5.64) and I (5.35)		T (5.42) and F (5.63)	
Quality work environment	E (4.45) and I (4.12)		T (4.17) and F (4.48)	
Family care	E (3.51) and I (3.22)		T (3.24) and F (3.58)	
Empowerment	E (6.17) and I (6.13)			
Flexible work practices		S (5.40) and N (5.73)	T (5.66) and F (5.32)	
Medical Aid and Retirement funds		S (5.71) and N (5.43)		
Reward performance	E (5.61) and I (5.44)			
Control over my pay	E (6.60) and I (6.49)			
Work relationships and teamwork	E (6.16) and I (5.95)		T (5.99) and F (6.16)	
Development opportunities	E (4.67) and I (4.38)			J (4.40) and P (4.68)

From Table 4 can be seen that respondents with a preference for *Extraversion* reported higher scores on all reward categories compared to respondents with a preference for *Introversion*. Different preferences were also reported for five of the reward categories in terms of a *Thinking/Feeling* preference, with respondents preferring *Feeling* indicating a higher preference for four of these reward categories. The significant differences reported under *work relationships and teamwork* are a reflection of the differences reported for personality types ESFP and ISTJ. This is similar for *quality work environment* where the differences in personality preferences reflect the results reported for personality types ESFJ and ISTJ.

A third analysis on the dataset was done to assess the relationship between *personality temperament* and reward preferences. In the one-way ANOVA test and the post hoc Scheffe and Tamhane tests, statistical meaningful differences in the reward preferences were reported as shown in Table 5.

**Table 5: Significant differences between *personality temperaments* and reward preferences (mean scores indicated in parenthesis)**

Reward categories	Tempera- ment	Tempera- ment	*p	eta
<b>Flexible work Practices</b>	SP (5.28)	NT (5.86)	<b>0.050</b>	0.123
<b>Medical aid and retirement funds</b>	SP (5.91)	NF (5.39)	<b>0.046</b>	0.118
<b>Work relation ships and teamwork</b>	SJ (5.97)	SP (6.27)	<b>0.007</b>	0.144
<b>Development opportunities</b>	SJ (4.32)	SP (4.74)	<b>0.040</b>	0.155
	SJ (4.32)	NT (4.72)	<b>0.016</b>	0.155

\*p<0.05

Table 5 shows that statistical significant differences between the temperaments were reported in respect of four of the reward categories. In terms of the eta squared values, the practical significance of these differences were small.

### **Rewards preferences for different demographic variables**

The relationships between preferences for reward categories and *different demographic variables* (race, age, gender and educational qualifications) were investigated. The data from Sample two (N=894) was used for this exercise. Some of the main findings are herewith reported.

In terms of *race*, there were statistical significant differences in the mean scores of seven reward categories. In six of these reward categories (*performance and career management, quality work environment, family care, empowerment, reward performance and development opportunities*), significant differences were reported between the African and White respondents with mean scores for the African respondents in all cases being higher. For *work relationships and*

*teamwork*, Indian respondents had the highest mean score and White respondents the lowest.

In terms of *age*, statistical significant differences in reward preferences were reported for six of the ten reward categories (*performance and career management, quality work environment, family care, flexible work practices, control over my pay and development opportunities*). The most significant differences were between the age groups 18 – 27 years and 49 years + in terms of their preference for *performance and career management, quality work environment and development opportunities*, where the mean scores for the youngest age group were significantly higher than the older groups. In contrast to this, the younger group had the lowest preference for *flexible work practices*. In respect of *control over my pay* the age group 39 – 48 years' indicated a significantly higher preference.

The analysis on *gender* indicated statistical significant differences between men and women in respect of five reward categories. Women have a higher preference for *performance and career management, quality work environment, family care, medical aid and retirement funds and work relationships and teamwork*. The mean scores on all reward categories were lower for men than the scores reported for women.

In terms of *educational qualification*, statistical significant differences in mean scores were reported for eight reward categories (*performance and career management, quality work environment, family care, flexible work practices, medical aid and retirement, reward performance, work relationships and teamwork and development opportunities*). In terms of *flexible work practices and development opportunities* the highest preference was reported by the respondents with a post graduate qualification. For the remaining six categories, respondents with a qualification of Up to certificate reported the highest preference. In respect of *performance and career management, quality work environment, family care, medical aid and retirement funds, reward performance and work relationships and team work*, the lower the qualification, the higher the preference for the reward category.

## Preferences for reward components

An analysis was done on the data collected from the Rewards Preference Questionnaire to understand for which reward components (collectively forming the reward categories), respondents had the highest and lowest preferences. The responses to Sections 2(a) and (b) of the questionnaire were collapsed to reflect the two extreme points on the seven point scale. The lowest scores (least agreed or important) are indicated by ratings 1 and 2 and the highest scores are indicated by ratings 6 and 7 (totally agreed or very important). The reward components with the highest and lowest scores are indicated in Table 6.

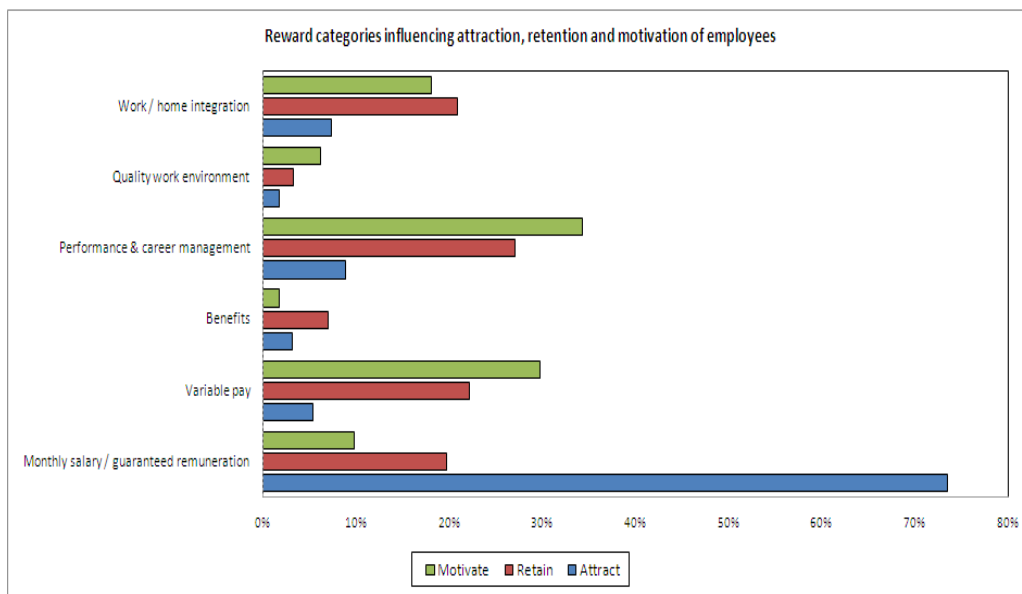
**Table 6: Highest and lowest preferences for reward components included in the total rewards model**

Responses to Section 2(a)		Responses to Section 2(b)	
Highest scores (ratings 6 & 7)	Lowest scores (ratings 1 & 2)	Highest scores (ratings 6 & 7)	Lowest scores (ratings 1 & 2)
Salary (83.2%)	On-site child care (36%)	Market related salaries (93.5%)	Subsidy for financially dependent parents (60%)
Quality of co-workers (80.5%)	Dedicated parking bay (33.6%)	Accountable for personal job outputs (91.2%)	Holiday programmes for children (51.7%)
Flexible hours (80.2%)	Subsidised tuition for children (26.4%)	Challenging job (89.3%)	Housing assistance (34.1%)
Safety in the workplace (78.8%)	On-site convenience store (25.6%)	Bonuses linked to personal performance (88.4%)	Inflation linked increases (32.4%)
Annual bonus (76.6%)	Sabbatical leave (25.4%)	Merit increases linked to personal performance (86.5%)	
Good working relationship with colleagues (76.2%)		Career path planning (78.7%)	
Growth opportunities (75.6%)			

The reward components listed in Table 6 as very important (ratings 6 and 7) are critical for inclusion in a total rewards model whereas more flexibility would exist with the components that received lower ratings (ratings 1 and 2).

### Attraction, retention and motivation of employees

Another secondary research question was to identify the reward categories that mostly contribute to the attraction, retention and motivation of employees. The following graph presents the results:



**Figure 3: Reward categories that mostly influence the attraction, retention and motivation of respondents**

As can be seen in Figure 3, *Monthly salary* has the greatest influence on an employee's decision to join an organisation (73.5%). *Performance and career management* has the greatest influence on employees' decisions to remain with an organisation (27%) as well as to motivate (34.3%). *Variable pay* (29.7%) also plays a significant role in motivating employees.

## DISCUSSION

A review of the literature highlighted that people with different personality types, traits and preferences, as well as from different cultures and geographic locations, are motivated differently. The golden thread through all the motivational theories is that there should not be too much reliance on financial rewards only to attract,

retain and motivate key employees. Organisations that offer a total rewards package in accordance with employee preferences are more likely to be successful in the global war for talent.

### **Relationship between personality type and reward preferences**

In the initial high level analysis of the reward preferences per personality type, optical differences in preferences for the reward categories, between the different personality types were visible (Figure 2). The statistical analysis however only reported statistical significant differences between certain personality types in three of the reward categories. The most significant differences are herewith discussed.

The statistical significant difference in the preference for *performance and career management* was evident between people with a personality preference ESFP and INTJ where the mean score for ESFP was the highest. Descriptors of the ESFP type indicate a strong need to work with others, to find enjoyment in people, to make things happen through people and to learn by trying a new skill with other people (Meyers, 1998). People with a preference for INTJ prefer a more independent approach, are less reliant on others to perform a task and are self-driven and tough-minded. The differences in the descriptors for these two types, explain the difference in preference for *performance and career management*. The strong focus on people, explains the ESFPs higher preference for *performance and career management* which could also indicate a belief in performance and career management processes that collectively strive to meet common goals, shared rewards and building careers for employees in an organisation. These processes should however not be too structured as the people with an ESFP preference do not generally enjoy structure and routine. This result does not indicate that people with a preference for INTJ do not require *performance and career management* in the workplace. They do however have a lower preference for this type of reward category and would indeed be effective implementers of a *performance and career management* policy if they report to a manager they respect, and can use this process as a vehicle to manage their and others' performance. This could potentially be a growth area for the person with a preference for INTJ as *performance and career management*, where effectively

implemented, could provide an opportunity for the line manager to give feedback on behaviour – especially where behaviour is perceived as aloof, too independent, abrupt or single-minded; descriptors often associated with the INTJ personality type.

In four of the personality types, the lowest mean scores reported in respect of *performance and career management*, were for people with a preference for Introversion (INFP, INTP, ISTJ and INTJ). This result could relate to the Introverts' preference to work contentedly alone, to focus more on their own interests and privacy in contrast to people with a preference for Extraversion who prefer to communicate through talking, are sociable and expressive and readily take initiative. Descriptors for people with a preference for Introversion support the finding that they will have a reduced preference for personal interaction through for example performance and career management processes and be more reliant on themselves to manage their own performance.

The biggest statistical significant difference in the reward category *quality work environment* was between personality types ESFJ and ISTJ where people with an ESFJ type preference indicated a higher preference for a *quality work environment* than people with an ISTJ personality type. *Quality work environment* refers to a comfortable work environment that could include on-site amenities as well as flexible work practices. People with a preference for type ESFJ are sensitive to the needs of others and their satisfaction comes from the comfort of seeing others happy. They are furthermore energized by interaction with other people, enjoy comfortable, structured situations and order. They tend to have a focus on logistics to support people and maintain organisations. Given the additional structure and convenience as well as the benefit to others that a *quality work environment* brings to the workplace, it is understandable that people with a preference for ESFJ, would indicate the highest preference for this reward category.

On the other hand, people with a preference for ISTJ, tend to have a strong sense of responsibility, duty and great loyalty to organisations; they will go the extra mile in completing tasks that are meaningful and they enjoy standard procedures. It is possible therefore that these employees do not necessarily expect the employer

to provide a quality work environment. Being fiercely loyal, and comfortable with a standard working environment, they probably will support the employer regardless of what the employment offering is or what the working environment entails. Furthermore, with their structured approach, they will arrange for childcare facilities and fitness centres outside of the work environment if it is not provided within the working environment. It is however interesting that given that these two types (ESFJ and ISTJ) belong to the same temperament (SJ), one would have expected a closer alignment on their preferences for this reward category.

The statistical significant difference in the reward category *work relationships and teamwork* was between personality types ESFP and ISTJ where ESFP types placed greater value on *work relationships and teamwork* than people with a preference for ISTJ. *Work relationships and teamwork* refers to quality colleagues that value teamwork and sound working relationships. People with a preference for ESFP find their enjoyment in people and are generally good team players in comparison with people that have a preference for ISTJ and generally prefer to work alone. The higher preference for *work relationships and teamwork* reported by the respondents with a preference for ESFP is therefore in line with the general descriptions of behaviour.

Statistical significant differences in preferences for three non-financial reward categories were reported. This provides insight to organisations in the structuring of total rewards models for different employee segments. It is however recommended that personality types not be used as an employee segment to design a total rewards model.

### **Relationship between personality preference and reward preferences**

More statistical significant differences in reward preferences were found for personality preferences than for personality types. In all ten of the reward categories, the respondents with a preference for *Extraversion* indicated higher mean scores, of which there were significant differences between respondents with a preference for *Extraversion* and respondents with a preference for *Introversion*, in respect of eight of the ten reward categories (all except *flexible work practices* and *medical aid and retirement funds*). This result compares favourably with previous research that people with a preference for Extraversion

are more inclined to be motivated by money (and would then have a higher preference) (Furnham & Argyle, 1998). Although the differences between respondents with a preference for Extraversion and Introversion in *Flexible work practices* and *Medical aid and retirement funds* were not statistically significant, the respondents with a preference for Extraversion still reported higher mean scores. According to Myers and Myers (1995), the present Western civilisation is dominated by people with a preference for Extraversion who are more vocal than people with a preference for Introversion. If people with a preference are therefore more expressive, this would support the results. In respect of all statistically significant differences reported, the results support the current view of different personality preferences and contribute to a broader understanding of the reward preferences for different personality preferences.

### **Relationship between personality temperaments and reward preferences**

In terms of *flexible work practices* respondents with a preference for the *NT* temperament reported the highest mean score and *SP* the lowest. A preference for *NT* refers to people who *inter alia* tend to trust logic and reasons, who have a need for flexibility within structure and a strong drive for competence (Myers, 1998). The higher preference for *flexible work practices* on the side of the *NT* temperament seems to fit the *NT* descriptors. Working within a flexible structure, enables them to apply their structures and schedules within defined parameters.

In respect of *work relationships and teamwork* the *SP* temperament had the highest mean score and *SJ* temperament the lowest. The typical behavioural descriptors for people with a preference for the *SP* temperament, include a need to get things done through people, adaptable, and seeking adventure and new experiences involving people (Kroeger & Thuesen, 1988). The higher mean score for the people with a *SP* temperament in respect of *work relationships and teamwork* could align with the strong need to work with and through people in order to accomplish tasks. This is in comparison to people with a *SJ* temperament who are typically more concerned with authority and traditional structures and who may prefer to report to a line manager instead of working as part of a team and be collectively responsible for the results.

People with a preference for the *NT* temperament indicated a significantly stronger preference for *development opportunities* compared to the *SJ* temperament. People with a preference for *NT* are described as people who seek competence and thorough knowledge thus explaining the result. The development needs of people with a preference for *NT* should therefore be carefully considered in terms of their career plans to enhance retention of these employees.

### **The relationship between reward preferences and demographic variables**

The results indicated statistical significant differences in most of the demographic variables analysed. The significant difference in the preferences for African and White respondents is specifically worth noting. In most reward categories, the African respondents reported a higher preference than the white respondents. This supports previous research that culture and background plays a role in reward preferences (Macgrain Herkenhoff, 2000). A history marked by marginalisation could explain why African respondents have stronger feelings in terms of their reward preferences. These feelings could potentially extend beyond reward preferences to broader employment practices.

In terms of *age* the general finding is that the older respondents are, the lower their preferences for the different categories. Previous research indicated that the different preferences are related to where employees are in terms of their life cycles (Giancola, 2007). The lack of significant differences for *medical aid and retirement funds* is surprising as it would have been expected that the preference for this reward category, increases as employees grow older.

Statistical significant differences were identified in terms of *gender*, with higher scores for women than for men in all the reward categories. This could be indicative that women have a higher preference for a broader total rewards package, as opposed to consisting of financial components only. The differences in earnings between women and men (Müller & Plug, 2005) could also be as a result of women having a higher preference for non-financial types of rewards that organisations offer such as flexible work practices that are not necessarily added into the financial package offered and could contribute to the discrepancies noted in financial earnings. There is also an increase in working mothers who are also

primary caregivers (Hankin, 2005). This fact contributes to the stronger need for a broader reward offering that includes more than just financial rewards.

*Educational qualifications* also play a role in reward preferences. In the case of respondents with matric or a certificate, preferences were much higher than graduates and post graduates. It can only be speculated that this is as a result of the graduates being confident that they will experience the benefits that they require, and if not, that they have more opportunities to move to other organisations that would oblige. It is also assumed that the earnings of graduates are higher than that of people with a matric qualification and therefore they can afford to purchase benefits such as medical aid and retirement outside of the organisation where this is potentially less possible for people without the qualifications.

### **The new total rewards framework**

The most *statistical significant differences* in respect of the different reward categories have been integrated into the total rewards model, forming the total rewards framework shown in Table 7. The reward component *control over my pay* consistently received the highest mean score. In addition, the more senior employees are within an organisation, the higher the preference to have control over their reward package. As *control over pay* refers to the implementation of reward practices and policies (market related salary; performance related increases) as opposed to a specific benefit, policy or practice, it was not included in the total rewards model as a reward category, but as an overarching statement that indicates the importance to the respondents of having control over the structuring and composition of their total rewards package. The mean scores for respondents with a preference for Extraversion were higher in respect of all reward categories and were not included in the model.

**Table 7: Total Rewards Framework**

<b>Total package (Financial or Extrinsic rewards)</b>	<b>Additional Rewards (Non-financial or Intrinsic rewards)</b>
<u>Medical aid and retirement funds</u> <ul style="list-style-type: none"> <li>• Female</li> <li>• 10 years+ service</li> <li>• No formal post matric qualification</li> <li>• Administrative positions</li> <li>• Divorced or widowed or separated</li> <li>• ESFP &amp; ENFJ</li> <li>• People with a preference for S</li> </ul>	<u>Performance and career management</u> <ul style="list-style-type: none"> <li>• Female</li> <li>• 0-2 years service</li> <li>• Younger employees, 18 – 27 yrs</li> <li>• No formal post matric qualification</li> <li>• Administrative positions</li> <li>• ESFJ &amp; ESFP</li> <li>• People with a preference for F</li> </ul>
<u>Reward performance</u> <ul style="list-style-type: none"> <li>• No formal post matric qualification</li> <li>• Junior management</li> <li>• Divorced or widowed or separated</li> <li>• ESFJ &amp; ENTJ</li> </ul>	<u>Quality work environment</u> <ul style="list-style-type: none"> <li>• Female</li> <li>• 0-2 years service</li> <li>• Younger employees, 18 – 27 years</li> <li>• Administrative or clerical level positions</li> <li>• No formal post matric qualification</li> <li>• ESFJ &amp; ESFP</li> <li>• People with a preference for F</li> </ul>
<u>Family care</u> <ul style="list-style-type: none"> <li>• Female</li> <li>• No formal post matric qualification</li> <li>• Junior management</li> <li>• Employees with at least one child</li> <li>• Preference reduce as employees get older</li> <li>• ESFJ &amp; ESFP</li> <li>• People with a preference for F</li> </ul>	<u>Empowerment</u> <ul style="list-style-type: none"> <li>• General management positions</li> <li>• ENTP &amp; ISTP</li> </ul>
	<u>Flexible work practices</u> <i>General need but more specifically:</i> <ul style="list-style-type: none"> <li>• 28 – 38 years</li> <li>• Post graduate qualification</li> <li>• Married / living together</li> <li>• 3 – 6 years' service</li> <li>• General management positions</li> <li>• ENTJ &amp; ENTP</li> <li>• People with a preference for N</li> <li>• People with a preference for T</li> <li>• People with a temperament of NT</li> </ul>
	<u>Work relationship and teamwork</u> <ul style="list-style-type: none"> <li>• Female</li> <li>• Administrative or Clerical level positions</li> <li>• No formal post matric qualification</li> <li>• ESFJ &amp; ESFP</li> <li>• People with a temperament of SP</li> <li>• People with a preference for F</li> </ul>
	<u>Development opportunities</u> <ul style="list-style-type: none"> <li>• Female</li> <li>• 18 – 27 years</li> <li>• Post graduate qualification</li> <li>• Administrative positions</li> <li>• ESTP &amp; ENTP</li> <li>• People with a temperament of NT</li> <li>• People with a preference for P</li> </ul>

**CONTROL OVER MY TOTAL REWARDS PACKAGE**

Table 7 provides a view of the different employee segments analysed in this study that have the most statistical significant preferences for the respective reward categories. People have very different individual motivations and preferences often in complex combinations and motivation is not necessarily only influenced by monetary inducements; money is however definitely a key component, either directly or indirectly, in motivating, attracting and retaining employees and ultimately contributes towards engagement.

### **Attraction, retention and motivation**

Previous research has indicated that pay is the most important reward component for employees (Corporate Leadership Council, 2002). What has been reported through this study is that pay plays a smaller role in the retention and motivation of employees and that the line managers play a much bigger role. Rewards, retention and engagement are all closely linked constructs and if they are structured in accordance with employee preferences, this can have a significant impact on organisational performance.

It is hoped that this research would trigger a curiosity amongst employers to find out what the specific reward preferences for their employees are and to respond by developing a 'best fit' total rewards model for their organisations.

## **CONCLUSION**

The following outcomes were obtained from this study:

- a) A Rewards Preferences Questionnaire was designed and tested for validity;
- b) An empirical total rewards model was designed and enhanced with the most preferred reward categories creating the total rewards framework;
- c) The relationships between personality preferences, temperaments and types and reward preferences were assessed;
- d) The influence of demographic variables on reward preferences was explored; and
- e) The reward categories that play the most important role in the attraction, retention and motivation of employees were identified.

Overall the study confirmed that there are significant differences in reward preferences of employees. Rewards should expand beyond monetary rewards to also include non-financial rewards and be and tailored to meet individual preferences. The findings of this research are expected to assist particularly South African managers, human resources and rewards professionals in having a better understanding of reward preferences of their employees. Differentiating in reward offerings contribute to higher levels of attraction, retention, engagement and motivation that positively influence organisational performance.

### **Limitations of this research**

The following aspects are viewed to be potentially limiting in terms of this study:

- The relatively lower number of respondents on Form GRV®, especially in analysing the type results where the samples for some of the types were below twenty;
- The respondents could not be identified in terms of the industries they present and it is possible that the results could be skewed in favour of rewards preferences of individuals working within the financial services industry.

### **Suggestions for future research**

The following suggestions are made in terms of future research within this field:

- Analysing the reasons why such significant differences were found in the reward preferences of White and African respondents specifically; and
- Conducting a conjoint analysis on understanding the relative importance of the rewards categories, namely if people have to choose between different reward categories, which ones they would prefer.

Facing the current worldwide economic downturn, a lot of managers find themselves wrestling with possibilities of reducing staff complement whilst clinging to talented to employees and motivating them to enhance their levels of performance. There is no simple answer to the question of how good employees

can be attracted, retained and motivated. Can money motivate? Although the prevailing view is that money is the primary motivator, it is clearly not the only one. This study confirms that reward offerings should firstly be diverse and not only contain monetary rewards and secondly, be tailored to meet individual preferences. The challenge is therefore to design pay practices that will support sound management practices and aid in the achievement of business goals by motivating employees to perform at continuously high levels.

The key to attracting and retaining the best employees lies in an enriched, diversified total rewards model that is an essential building block in the employee value proposition.

*.....it's not only money that counts.....*

## Annexure 1: Rewards Preferences Questionnaire

<b>Reward preferences Questionnaire:</b>						
For statistical purposes, we need to compare the results of this survey, with your Myers Briggs type. You are therefore asked to use the same code name / code / name in the block below, on both questionnaires:						
<b>Identification number / code:</b>						
<b>Section 1: Demographic factors:</b>						
This section asks you some basic background information. The information you provide will be used to determine any significant differences in opinions between groups, and will not identify you as an individual.						
Tick in the box most applicable to you:						
What is your gender?	Male	Female				
What is your racial group?	African	Coloured	White	Indian		
What is your age?	18-27	28-38	39-48	49-59	60+	
Which of the following describe your marital	Married/ living together	Single	Divorced	Widowed	Separated	Other
If you indicated other, please elaborate:						
How many children do you have living at home with you?	0	1	2	3	4+	
Please indicate if you have other responsibilities such as parents living with you and / or who are financially dependant on you				Yes	No	
Which of the following best describes your highest level of education?	Matric	Degree/ Diploma	Post-graduate	Other		
If you indicated other, please elaborate:						
What job level best represents your current position?	Administrative / Clerical	Specialist / Professional	Junior management	Senior management	General management / Executive	Other
If you indicated other, please elaborate:						
In what job family does your current position best fit?	Human resources	Administrative	Sales & Service	IT	Process & Project mgt	
	Investment banking	Marketing / Communication	Credit, Finance, Risk	Consulting	Other	
If you indicated other, please elaborate:						
How long have you been working for your current employer?	0 - 2 years	3-6 years	7-9 years	10 years +		

**Section 2: Reward preferences**

The following questions are aimed at determining how important different benefits and types of reward structures are to you. Please indicate your choice on the scale of 1 - 7 provided, where 1 = not at all important and 7 being extremely important by clicking on the appropriate box.

Section 2(a)	Not at all important						Extremely important
		1	2	3	4	5	
My salary / guaranteed remuneration is...	1	2	3	4	5	6	7
My annual performance bonus / incentive is...	1	2	3	4	5	6	7
Annual allocations of shares and or share options are...	1	2	3	4	5	6	7
Medical aid benefits through a medical aid scheme are ...	1	2	3	4	5	6	7
Retirement and disability benefits are...	1	2	3	4	5	6	7
The opportunity to take study leave for further studies is...	1	2	3	4	5	6	7
The opportunity to take sabbatical leave is ...	1	2	3	4	5	6	7
A dedicated parking bay in the building where I work is ...	1	2	3	4	5	6	7
Monthly communication sessions about business progress with my manager are ...	1	2	3	4	5	6	7
Constructive and honest feedback on my performance is ...	1	2	3	4	5	6	7
The opportunity to rotate and experience different types of jobs is ...	1	2	3	4	5	6	7
Growth opportunities, learning and development are ...	1	2	3	4	5	6	7
I think coaching and mentoring are.....	1	2	3	4	5	6	7
Informal recognition for a job well done (e.g. a thank you note) is ....	1	2	3	4	5	6	7
Formal recognition for a job well done (e.g. a fully paid overseas trip) is....	1	2	3	4	5	6	7
Having a balanced scorecard or performance agreement / contract with agreed objectives is...	1	2	3	4	5	6	7
Bursaries / funding for tertiary qualifications is...	1	2	3	4	5	6	7
Having a good working relationship with colleagues is...	1	2	3	4	5	6	7
A comfortable work environment (décor, equipment) is...	1	2	3	4	5	6	7
An on-site fitness centre is...	1	2	3	4	5	6	7
An on-site medical centre is...	1	2	3	4	5	6	7
On-site or subsidised childcare facilities is ...	1	2	3	4	5	6	7
An on-site staff restaurant is...	1	2	3	4	5	6	7
An on-site convenience store is...	1	2	3	4	5	6	7
Personal safety and security in the workplace is...	1	2	3	4	5	6	7
The quality of co-workers in my team is...	1	2	3	4	5	6	7
Subsidised tuition for my children is...	1	2	3	4	5	6	7
The ability to work flexible working hours is...	1	2	3	4	5	6	7
	1	2	3	4	5	6	7
<b>Section 2(b):</b> The following questions are aimed at determining the extent to which you agree (or not) with the following statements. Please indicate your choice on the scale of 1 - 7 provided, where 1 = totally disagree with and 7 being fully agree by clicking on the appropriate box.	<b>Totally disagree</b>						<b>Fully Agree</b>
Merit increases should be linked to personal performance	1	2	3	4	5	6	7
My salary must be market related	1	2	3	4	5	6	7
I would like to structure my remuneration according to my own needs	1	2	3	4	5	6	7
Increases should be linked to inflation and not to personal performance	1	2	3	4	5	6	7
Bonus allocations should be linked to my personal performance	1	2	3	4	5	6	7
Bonus allocations should be linked to my team's performance	1	2	3	4	5	6	7
My employer should provide me with financial assistance to buy a house	1	2	3	4	5	6	7
I enjoy having total control over my work methods without my manager's interference	1	2	3	4	5	6	7
My career path planning should align with my personal interests and goals	1	2	3	4	5	6	7
My job should be challenging and test my abilities	1	2	3	4	5	6	7
I should be held accountable for my personal job outputs	1	2	3	4	5	6	7
I would like to go on an international secondment	1	2	3	4	5	6	7
Management should encourage team performance	1	2	3	4	5	6	7
My employer should provide holiday programs for my children	1	2	3	4	5	6	7
My employer should provide me with an allowance or subsidy to care for my financially dependant parents	1	2	3	4	5	6	7
I need to log into the employer's network from home	1	2	3	4	5	6	7
I need a laptop and 3G card to perform optimally	1	2	3	4	5	6	7
I think employers should provide phased in return to work after maternity / paternity leave	1	2	3	4	5	6	7

Section 3: Preferences for Reward categories						
If you have the opportunity to structure your own reward package, which categories are the most important to you. Please rank in order of most preferred (1) to least preferred (6) without using a number twice, by placing the numbers 1 to 6 next to each block.						
Rank from 1 - 6 with 1 being most important and 6 least important						
Monthly salary or guaranteed remuneration						
Variable Pay (bonus and / or long term incentives)						
Benefits (medical aid, retirement funding, disability benefits, leave)						
Performance and career management (career and development opportunities; quality performance discussions with your manager)						
Quality work environment (fitness centre on site, medical centre on site; latest technology computers)						
Work/home integration (your ability to balance your work and home commitments eg flexible work schedules, half day leave)						
Section 4: Attraction, retention and motivation of employees						
Please indicate which <b>one</b> of the following six reward categories has the greatest impact on an organisation's ability to attract, retain and motivate you. Please tick in one block for each category.						
Category	Please cross one of the boxes for each category					
Attract (i.e. to join an organisation )	Monthly Salary / remuneration	Variable pay (bonus / long term incentive)	Benefits (medical aid / retirement funding / leave)	Performance, Recognition & Career management (development opportunities, quality discussions with your manager)	Quality work environment (fitness centre on site, medical centre on site, latest technology)	Work home integration (flexible working hours, half day leave, ability to work from home)
Retain (i.e. stay with an organisation )	Monthly Salary / remuneration	Variable pay (bonus / long term incentive)	Benefits (medical aid / retirement funding / leave)	Performance, Recognition & Career management (development opportunities, quality discussions with your manager)	Quality work environment (fitness centre on site, medical centre on site, latest technology)	Work home integration (flexible working hours, half day leave, ability to work from home)
Motivate (i.e. has a positive impact on your performance)	Monthly Salary / remuneration	Variable pay (bonus / long term incentive)	Benefits (medical aid / retirement funding / leave)	Performance, Recognition & Career management (development opportunities, quality discussions with your manager)	Quality work environment (fitness centre on site, medical centre on site, latest technology)	Work home integration (flexible working hours, half day leave, ability to work from home)
We appreciate your feedback. Thank you for helping us to design a more appropriate reward offering for you. Please click on the submit button to submit the questionnaire.						
<b>SUBMIT</b>						

## Annexure 2: Factor loadings on reward factors

Reward categories	Reward components as listed in Rewards Preferences Questionnaire	Factor loadings										
		1	2	3	4	5	6	7	8	9	10	11
Performance and career management	Growth opportunities, learning and development are ...	<b>0.654</b>										
	Constructive and honest feedback on my performance is ...	<b>0.625</b>										
	Having a balanced scorecard or performance agreement / contract with agreed objectives is...	<b>0.606</b>										
	Monthly communication sessions about business progress with my manager are ...	<b>0.598</b>										
	I think coaching and mentoring are.....	<b>0.551</b>										
	The opportunity to take study leave for further studies is...	<b>0.523</b>										0.423
	Informal recognition for a job well done (for example a thank you note) is ....	<b>0.511</b>										
	Bursaries / funding for tertiary qualifications is...	<b>0.509</b>			0.278							
Personal safety and security in the workplace is...	0.383	0.300								0.345		
Quality work environment	An on-site medical centre is...	<b>0.754</b>										
	An on-site convenience store is...	<b>0.741</b>		0.245								
	An on-site staff restaurant is...	<b>0.672</b>		0.253								
	An on-site fitness centre is...	<b>0.666</b>										
	On-site or subsidised childcare facilities is ...	<b>0.514</b>		0.493								
	A comfortable work environment (décor, equipment) is...	0.272	<b>0.445</b>							0.324		
	A dedicated parking bay in the building where I work is ...		<b>0.334</b>									
	The ability to work flexible working hours is...		<b>0.329</b>									

Reward categories	Reward components as listed in Rewards Preferences Questionnaire	Factor loadings										
		1	2	3	4	5	6	7	8	9	10	11
Family care	My employer should provide holiday programs for my children			<b>0.738</b>								
	My employer should provide me with an allowance or subsidy to care for my financially dependant parents			<b>0.654</b>								
	Subsidised tuition for my children is...	0.298		<b>0.611</b>								
	My employer should provide me with financial assistance to buy a house			<b>0.520</b>								
	I think employers should provide phased in return to work after maternity / paternity leave			<b>0.501</b>		0.328						
	Increases should be linked to inflation and not to personal performance			<b>0.283</b>						0.251		
Empowerment	My job should be challenging and test my abilities	0.298			<b>0.695</b>							
	I should be held accountable for my personal job outputs				<b>0.686</b>				0.363			
	I enjoy having total control over my work methods without my manager's interference				<b>0.546</b>							
	My career path planning should align with my personal interests and goals	0.259			<b>0.529</b>							
	I would like to structure my remuneration according to my own needs				<b>0.295</b>							
Flexible work practices	I need a laptop and 3G card to perform optimally					<b>0.891</b>						
	I need to log into the employer's network from home					<b>0.839</b>						
Medical aid and retirement funds -	Retirement and disability benefits are...								<b>0.794</b>			
	Medical aid benefits through a medical aid scheme are...								<b>0.710</b>			

Reward categories	Reward components as listed in Rewards Preferences Questionnaire	Factor loadings										
		1	2	3	4	5	6	7	8	9	10	11
Reward performance	My annual performance bonus / incentive is...							<b>0.605</b>				
	My salary / guaranteed remuneration is...						0.283	<b>0.487</b>				
	Formal recognition for a job well done (for example a fully paid overseas trip) is....	0.386	0.263					<b>0.401</b>				
	Annual allocations of shares and or share options are...							<b>0.354</b>			0.285	
Control over my pay	Merit increases should be linked to personal performance									<b>0.622</b>		
	Bonus allocations should be linked to my personal performance									<b>0.542</b>		
	My salary must be market related				0.291					<b>0.311</b>		
Work relationships and teamwork	Having a good working relationship with colleagues is...	0.402									<b>0.583</b>	
	The quality of co-workers in my team is...	0.346									<b>0.496</b>	
	Management should encourage team performance	0.280								<b>0.307</b>	0.260	
Development opportunities	I would like to go on an international secondment											<b>0.518</b>
	The opportunity to rotate and experience different types of jobs is ...	0.396										<b>0.406</b>
	The opportunity to take sabbatical leave is ...											<b>0.354</b>

### Annexure 3: The new total rewards model

Total Package (Financial or Extrinsic rewards)	Additional rewards (Non-financial or intrinsic rewards)
<p>Medical aid and retirement funds <i>Live healthy and retire well through access to medical aid and retirement / disability schemes</i></p>	<p>Performance and career management <i>A well-defined performance contract, regular discussions with management on progress and constructive feedback on performance and informal recognition. Learning and development opportunities (formal and informal) and access to coaching and mentoring programs.</i></p>
<p>Reward performance <i>Base salary, bonus, long term incentives and formal recognition</i></p>	<p>Quality work environment <i>A comfortable work environment that could include on-site convenience store, medical centre, fitness centre and childcare facilities and a parking bay. Flexible work practices contribute to a quality working environment.</i></p>
<p>Family care <i>Care for children, family and financially dependent parents.</i></p>	<p>Empowerment <i>A challenging job where I am held accountable for my outputs and have control over my work methods. My preferences are considered in career and remuneration structuring.</i></p> <p>Flexible work practices <i>Facilities to enable flexible work practices such as laptops, 3G cards and access to networks.</i></p> <p>Work relationship and teamwork <i>Quality colleagues that value teamwork and sound working relationships</i></p> <p>Development opportunities <i>Opportunities for international secondments, rotation and sabbatical leave</i></p>
<p><b>CONTROL OVER MY TOTAL REWARDS PACKAGE</b></p>	

## **Annexure 4: Sorting reward components under ten reward categories in the empirical total rewards model**

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### **Performance and career management**

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Growth opportunities, learning and development  
Constructive and honest feedback on performance  
A balanced scorecard or performance agreement / contract with agreed objectives  
Monthly communication sessions about business progress with my manager  
Coaching and mentoring  
Study leave for further studies  
Informal recognition for a job well done (for example a thank you note)  
Bursaries / funding for tertiary qualifications  
Personal safety and security in the workplace

### **Quality work environment**

An on-site medical centre  
An on-site convenience store  
An on-site staff restaurant  
An on-site fitness centre  
On-site or subsidised childcare facilities  
A comfortable work environment (décor, equipment)  
A dedicated parking bay  
The ability to work flexible working hours

### **Family care**

Holiday programmes for children  
Subsidised care for financially dependent parents  
Subsidised tuition for children  
Financial assistance to buy a house  
Phased-in return from maternity / paternity leave  
Inflation-linked increases

### **Empowerment**

Challenging job that tests abilities  
Accountability for personal job outputs  
Control over work methods  
Career path planning aligned with personal interests and goals  
Remuneration is structured according to own needs

### **Flexible work practices**

A laptop and 3G card  
Ability to log into employer's network from home

### **Medical aid and retirement funds – live healthy and retire well**

Retirement and disability benefits  
Medical aid benefits

### **Reward performance**

Annual performance bonus / incentive  
Salary / guaranteed remuneration  
Formal recognition for a job well done (for example a fully paid overseas trip)  
Annual allocations of shares and or share options

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**Control over my pay**

Performance linked / merit increases  
Performance linked bonus allocations  
Market related salary

**Work relationships and teamwork**

A good working relationship with colleagues  
Quality co-workers in the team  
Encourage team performance

**Development opportunities**

International secondment opportunities  
Rotation opportunities  
Sabbatical leave opportunities

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