

**The impact of benefits and rewards on recruitment and retention: A quantitative analysis on Total Rewards in medium and large organisations in Ireland**

National College of Ireland

**Master of Arts in Human Resource Management**

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under the supervision of

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## Abstract

The aim of this study is to analyse the attractiveness of elements of total rewards, and whether perceptions differ with differing generational and gender cohorts. As many organisations struggle to attract and retain top talent, it is important to understand what attracts and retains employees in Ireland. Previous research in the area has taken a qualitative approach methodology, with most studies focusing on financial versus non-financial reward. This study analyses employees' preferences for financial or non-financial reward, however, adopts a quantitative methodology. Unlike CIPD and WorldAtWork, who target employers in many of their Total Rewards surveys, this research targets the employees working in medium and large organisations operating in Ireland.

The findings of this research are that there is no difference in preference between financial and non-financial rewards for employees of medium and large organisations in Ireland. These main findings are irrespective of generation and gender. When broken down into female versus male and Generation-X versus Generation-Y preferences for financial and non-financial rewards, there is a difference in the order of preference for various elements of each reward category. Service based reward increments such as merit and pay-for-performance is still considered to be attractive when looking for employment in other companies, however, is not a factor which entices employees to stay with their current employers. Employees feel that while their pay and benefits are fair versus their peers internally, they also consider their organisation's total rewards offering to be below the market average.

This study recommends organisations develop a pay strategy such as efficiency wages, or at a minimum, a living wage policy. Secondly, the study recommends a clear and transparent approach to its strategies to alleviate employee distrust of the system, while also ensuring that the performance management and reward system is equitable and fair. Finally, this study recommends that employers develop a mixed method approach to rewards and benefits, with core and fringe benefits and rewards, supported by flexible benefits to suit all ages and genders throughout their life with the organisation and beyond.

# Submission of Thesis and Dissertation

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## NCI Checklist

Abstract/ Introduction	<ul style="list-style-type: none"> <li>• Have you provided some background or context to the research question you are proposing?</li> <li>• Have you included reference to academic literature to support your commentary?</li> <li>• Have you made it clear why this particular question is worthy of study?</li> <li>• Have you clearly identified and explained what the research question or problem is and how you are going to answer/investigate it?</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>
Literature Review	<ul style="list-style-type: none"> <li>• Is there evidence of up-to-date material pertaining to your area of study?</li> <li>• Is the material mostly journal based rather than text book based? Remember it should be predominantly journal based material.</li> <li>• Have you provided a synthesis, not a summary, of previous studies/research?</li> <li>• Does your literature have a logical flow? Does it jump from one section to another without any link?</li> <li>• Does your literature review have a conclusion?</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>
Research Question	<ul style="list-style-type: none"> <li>• Do you have a clearly stated research question or hypothesis?</li> <li>• Have you identified and explained the aims and objectives of your study?</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> </ul>
Research Question	<ul style="list-style-type: none"> <li>• Do you have a clearly stated research question or hypothesis?</li> <li>• Have you identified and explained the aims and objectives of your study?</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> </ul>
Methodology	<ul style="list-style-type: none"> <li>• Have you been able to link your methodological approach to other previous research in terms of adopting a similar approach?</li> <li>• Have you stated what you propose to do and why this is the most appropriate method for answering/ addressing your question?</li> <li>• Have you provided details of your sample? Who you will ask and why these and not others?</li> <li>• Have you attempted to describe what you will ask them? Have you provided a justification for this? Have you checked that there are no existing questionnaire scales you could adopt? Have you searched PsycTESTS database for example?</li> <li>• Have you provided details of HOW you intend to ask your participants? Details about your data collection</li> <li>• Have you provided details of how you intend treating/ handling the data you collect? So a statistical analysis of questionnaire data for example?</li> <li>• Are you proposing to use a pilot test? If so for what purpose, amongst who etc?</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> <li>✓</li> </ul>

Ethics	<ul style="list-style-type: none"> <li>• Have you read, completed and submitted your Human Participants Ethical Review Application Form?</li> </ul>	✓
Reference List	<ul style="list-style-type: none"> <li>• Have you included ALL references cited in your work?</li> <li>• Have you adhered to the Harvard referencing system?</li> <li>• Have you included all references in alphabetical order by surname?</li> <li>• Have you included material that is not directly referenced in your research report? If so please revisit. Only material directly cited/referenced in your report should be included in your reference list. All other material consulted but not directly cited should appear in your bibliography should you choose to include one.</li> </ul>	✓ ✓ ✓ ✓
In-text referencing	<ul style="list-style-type: none"> <li>• Have you ensured that all in-text references appear in your reference list?</li> <li>• Have you used the Harvard method? Surname/Date approach?</li> <li>• Have you put the full stop after the close bracket for in-text references – example below; Students should pay attention to the advice they have been given by their lecturer (Darcy 2013).</li> <li>• Have you included an author's initial in your in-text referencing? If so please revisit. Only the surname and year should appear.</li> </ul>	✓ ✓ ✓ ✓
Presentation	<ul style="list-style-type: none"> <li>• Have you checked your spelling and grammar?</li> <li>• Is your work neat and tidy with a professional presentation?</li> <li>• Have you ensured your work flows logically, that subtitles are used within sections to sign post the work for the reader, that where appropriate summaries and conclusions are provided</li> </ul>	✓ ✓ ✓

# 1. Introduction

## 1.1. Total Rewards Defined & Problem Statement

Reward is defined by Shahabuddin (2019) as “any financial or non-financial benefit or money given for an act of achieving goals”. “Total Rewards” are defined as financial and non-financial benefits available to employees and can be intrinsically and extrinsically based (Bussin, Mohamed-Padayachee, and Serumaga-Zake, 2019). A successful total rewards strategy can drive business goals, while also engaging and retaining employees (Mujtaba and Shuaib, 2010). An integrated Total Rewards strategy is designed to align employee and employer interests while driving a value-added performance culture (Armstrong, 2019).

Organisations are finding it increasingly difficult to attract and retain top talent (Enterprise Ireland, 2020). Unacceptable levels of turnover is a frivolous expense that benefits neither the organisation nor the employees. The challenge in total rewards strategies is ensuring the organisation delivers a total rewards experience that is attractive, flexible and take into context the needs of different genders and generations with different values (Thompson and Brodie, 2012). Total Rewards can therefore assist the organisation to protect itself against the negative impact of talent attrition, such as financial cost, “brain-drain”, loss of leadership and continuity, change in culture, and retained employee’s fear of uncertainty and change.

## 1.2. Objectives of the Study

The aim of this study is to understand the attractiveness and retaining power financial and non-financial reward, and whether perceptions differ with differing generational and gender cohorts. Many studies such as those by Amundson (2007), Brown (2014), Haider, Aamir, Hamid, and Hashim (2015), have been conducted outside of Ireland in countries such as the US, South Africa, and Pakistan. There are therefore gaps in the studies relating to total reward and the impact on employer attractiveness and retention, specifically in relation to Ireland.

Previous research by professional organisations such as CIPD, Willis Towers Watson, and WorldAtWork have heavily targeted employers in their Total Rewards surveys. Conversely, this research targets the employees working in medium and large organisations operating in Ireland.

The majority of previous research by other master’s researchers of National college of Ireland have adopted a qualitative approach methodology, with the majority of studies focusing on generational preference for financial versus non-financial reward, or total rewards strategies in relation to motivation. This research takes a quantitative approach in analysing employee’s preferences for financial or non-financial reward, however, focuses on preferences when considering leaving a current employer and moving on to another, and whether this changes with differing generational cohorts.

This research also tests if tenure-based reward eligibility is becoming redundant due to the shift in generational values and attitudes to work in Ireland.

### 1.3. Significance of the Study

Organisations are seeing an increase in top talent attrition (Kang *et al.*, 2018) due to being attracted to work in other organisations, and this can lead to performance issues. By understanding what the main financial and non-financial attractors are to employees of Irish-based organisations, this study can assist to aid HR practitioners in Ireland to develop a mixed-method rewards and benefits strategy which can either be general, or tailored to varying cohorts such as Generation-X and Y, or male and female.

### 1.4. Limitations of the Study

This research is limited to analysing the opinions of employees from medium and large organisations only. Employees of micro-organisations of 1-9 employees (Central Statistics Office, 2015), and small organisations of between 10 and 40 employees (Central Statistics Office, 2015) have been excluded from scope in this study due to the vast size difference of the organisations versus medium and large organisations and therefore their general differences in Total Rewards strategy and offering.

The limitations to selecting a quantitative methodology over a qualitative methodology is that it will not explore common themes or the reasons behind the relationships between concepts. Due to the methodology choice, the research will also not explore the experiences of the sample population.

There are also some limitations in the methodology and findings sections due to the ransomware attack on the National College of Ireland systems which began on 3rd April 2020 and at the time of writing are ongoing, although some systems have been reinstated.

### 1.5. Structure of the Study

This research study consists of six chapters.

Chapter one (the current chapter) is the introduction to the study and outlines why the study is relevant, how the study will be conducted, and what the main conclusions of the study are.

Chapter two of this study is the literature review, which introduces the topic of rewards and the underlying reason rewards exist; human needs. The chapter then proceeds to outline various theories underpinning total rewards which impact engagement / attraction, and disengagement / attrition. The chapter then discusses reward attractors and retainers in general, and specific attractors and retainers of differing generations and females in the workplace, the variables used later in this study.

Chapter three discusses the methodology utilised in the study, a quantitative analysis with a positivist philosophy. The chapter outlines the aim and objective of the study, along with the approach, research design and participants profiles.

Chapter four presents the findings of the survey, starting with the main survey question; a rank order of participants preferences amongst 14 listed rewards and benefits which attract

them to organisations; 7 financial, and 7 non-financial rewards and benefits. The results are then broken down into Generation-X and Generation-Y findings, along with male versus female preferences. Following from this analysis are the frequencies analysis on some supporting questions, which were designed to enhance some of the results from the main ranking order question.

Chapter five outlines the conclusions and recommendation based on the findings and analysis, and correlates back to the findings in the secondary research literature review.

Chapter six is based on the CIPD requirements to present financial implications of one of the recommendations in chapter five.

References and appendices complete the dissertation and can be found in Chapters 7 and 8.

## 1.6. Conclusion

The conclusion of this research is that for employees of medium and large organisations, there is no difference between a preference for financial or non-financial reward, however Generation-X and Generation-Y differ in the order of preference for both financial and non-financial rewards. The most important reward to attract and retain talent is base pay, and the least important reward to attract and retain talent is stock options. Service based reward increments such as merit and pay-for-performance is still considered to be attractive when looking for employment in other companies, however, is not a factor which entices employees to stay with their current employers. Serving time before being eligible for benefits (such as pension, health insurance etc.) is considered unattractive, however. While the participants feel that their pay and benefits are fair versus their peers internally, they consider their organisation's total rewards offering to be below the market average externally.

## 2. Literature Review

### 2.1. Introduction

The fundamental purpose of reward management is to seek to motivate people to achieve business objectives through reward. It is important for organisations to understand which rewards increase motivation if it wishes to retain high performing employees. Motivation is defined as a reason for doing something (Ghosh, 2012). Motivation is having the drive to complete work either because a person wants to, or needs to. The quality and output of this depends on the individual, however organisations can influence motivation through reward strategies.

Reward is defined by Shahabuddin (2019) as “any financial or non-financial benefit or money given for an act of achieving goals”. While salary is often overlooked as a reward, one of the most basic performance rewards is basic pay.

In designing, developing, and implementing successful reward strategies, it is important to be cognisant of employee’s psychological needs and motivators (Ghosh, 2012). While none of the studies reviewed in this research paper specifically mention cost of living, in expensive cities and countries such Ireland it is also important for organisations to be cognisant of the cost of living when designing reward strategies. The risks associated with low pay are loss of top talent to competitors who are willing to pay more, employer reputation for underpaying employees, difficulty in filling vacancies, cost of turnover, low morale, and job satisfaction, and more.

Rewards which are valued are more likely to increase employer branding and retention, which has been found to correlate with increased organisational performance (Shahabuddin, 2019) (Bussin & van Rooy, 2014). To understand the value employees place on rewards, many medium and large organisations conduct annual “employee voice surveys” that measure job, manager, and benefits satisfaction. Organisations who do not conduct employee voice surveys risk alienating employees and losing the opportunity to correct unwanted turnover and loss of top performers.

### 2.2. Theories Underpinning Reward Management

#### 2.2.1. Human Needs

To understand motivation and engagement, and how reward is utilised by organisations to encourage motivation and engagement, it is important to first discuss human needs. People generally have the same basic needs such as safety and physiological needs – outlined in Maslow’s Hierarchy of Needs and Alderfer’s ERG Theory. In a workplace setting, this translates on a basic level to guaranteed basic income, or where an economy is unstable or in recession, by offering permanent employee contracts etc.

While general satisfaction levels fluctuate and require frequent attention, the importance and strength of human needs remain the same over time (Pritchard and Ashwood, 2008). Therefore, if organisations are to motivate employees to repeat desired behaviours which increase organisational performance, then rewards need to be constantly reinforced – a phenomenon called reinforcement theory, discussed in section 2.2.4. However, it is not as simple as rewarding performance; motivating employees to increase organisational performance also involves matching organisational rewards to the employees' various and differing needs (Ghosh, 2012), while also being cognisant of perceptions of equity (Adam's equity theory), and employee expectations (Vroom's expectancy theory)

### 2.2.2. Adam's Equity Theory

Described as a critical theory in reward management (Wright, 2004), equity theory is based on the understanding that people expect fairness – or equity, for outputs (Bhattacharyya, Banerjee, Bose, and Kankanhallib, 2020). Cosier and Dalton (1983) state that “it is something of an understatement to suggest that concepts such as justice, fairness and equity are of fundamental importance in the workplace”. In rewards, it is the concept that employees expect to be rewarded equitably for their efforts.

Where employees perceive that they are not being rewarded in line with the value they bring, or in line with others who are generating the same output, they can become demotivated and experience decreasing pay satisfaction. This can lead to the individual reducing their efforts (Bhattacharyya *et al.*, 2020, Cosier and Dalton, 1983). Heneman (2002) states that pay satisfaction is fundamentally rooted in Equity Theory. Cosier and Dalton (1983) also suggest that time lag in equity distribution is fundamental or detrimental to pay satisfaction success. While it is important to be cognisant of equity theory, it overlooks the idea of work being convenient and meeting basic human and personal needs. For example, an employee may be satisfied with perceived inequity if the employer is in a convenient location, or is flexible with employees in a manner which meets other needs. While not advocating for unfair pay practices, not all inequity leads to reduced efforts if other needs are being met.

### 2.2.3. Vroom's Expectancy Theory

Equity theory deals with perceived fairness, whereas Vroom's expectancy theory moves from the understanding of performance management being a behavioural “stimulus-response” relationship, to being a “learned association” and anticipation of “known outcomes” (Perkins, White and Jones, 2016). Essentially, it is the idea that employees will be conditioned to perform so long as the reward is valued by them and attainable. Armstrong (2019) outlines that to ensure employee motivation remains high, employees must 1) know what to do to achieve the reward, 2) they must feel that the reward is obtainable, and 3) must feel the reward is worth the effort.

For successful embedding of motivation in expectancy theory, the reward for efforts must be reinforced over time. For this reason, reinforcement theory plays a vital role in expectancy theory. Ghosh (2012), makes the link between expectancy theory and intrinsic and extrinsic



motivators, stating that “motivation is likely where a perceived and usable relationship exists, and the outcome satisfies needs”, and explains that financial and extrinsic reward works in this situation. Armstrong (2019) also makes this link, stating that this is the reason why financial reward is commonly used as a motivating tool in organisations, as the financial value of reward is clearly connected to the exchange for performance; the intrinsic reward needs are met by performing well, which is reinforced with a financial extrinsic reward.

#### 2.2.4. Reinforcement Theory

Reinforcement theory deals with the concept of controlling both desirable and undesirable behaviours with consequence to actions. Reinforcement of positive behaviours with reward encourages employees to repeat the actions which led to the reward being given, whereas punishing undesirable behaviour such as through disciplinary action discourages employees from repeating the offending actions (Bhattacharyya *et al.*, 2020)(Ghosh, 2012). Generally, three main categories of positive reinforcers are utilised in organisations: money (bonus, merit, commission), feedback (clarification and development) and social reinforcers (recognition) (Bhattacharyya *et al.*, 2020). Over time and through repeated overexposure, reinforcers can lose their impact on controlling desired behaviours, a concept referred to as reinforce satiation (Bhattacharyya *et al.*, 2020). By reinforcing expectations with reward, employees can become accustomed to reward as an implied term and condition of contract. Therefore, rewards should be based on stretch goals, with the reward amount commensurate to the level of achievement and effort, as rewarding performance equally can lead to high performers becoming disillusioned, and low performers to become accustomed to rewards that may not be warranted.

### 2.3. Reward Management Systems and Purpose

#### 2.3.1. Elements of a Reward System

Reward Systems consist of related activities, designed to pay and reward employees financially and non-financially for their efforts in a method that is fair, equitable, and consistent. Formal rewards systems – mostly used by medium and large organisations, have several elements, including “base pay, contingent (merit) and variable (bonus) pay, employee benefits, non-financial rewards, performance management, total reward (financial and non-financial rewards and benefits, both intrinsic and extrinsic)” (Armstrong, 2019). Many organisations approach their reward systems in an ad-hoc manner, however effective reward systems are complex, require close management, effort and data driven decision making.

#### 2.4. Financial vs Non-Financial Reward

In most studies reviewed in this research, non-financial reward is highlighted as the main attractor for recruitment and retention. Amundson’s study, for example, specifically discounts the importance of financial reward over non-financial reward, describing the “paycheque” as less important than it once was (2007). Kang, Oldroyd, Morris and Kim (2018) argue that even high performers will stay in an organisation with lower pay and benefits if the

organisation's reputation and status are increasing. These conclusions fail to address the high cost of living, globalisation, and abundance of information available to employees to ascertain if they are being paid fairly compared to their co-workers or peers in other companies. Where the cost of housing is high, for example, employee recognition does not pay a mortgage or rent. To simply conclude that non-financial reward is the main attractor for employees overlooks the very fundamentals of why people go to work.

Locke, Feren, McCaleb, Shaw, and Denny (1980) are only some of the few that disagree with the declining importance of financial reward, declaring, "No other incentive or motivational technique comes even close to money with respect to its instrumental value" (Haider *et al.*, 2015, p. 347). Furthermore, Sonawane (2008) found that while informal rewards such as praise and recognition were the top extrinsic motivators, in terms of rewards for retention, formal rewards were more successful at increasing job satisfaction and retaining employees than informal rewards.

## 2.5. Reward Management and Employer Attractiveness

### 2.5.1. Definition

"*Employer attractiveness*" is a vague and broad concept which changes depending on individual perception. It is the perception of benefits (both intrinsic and extrinsic) that a candidate gains from employment with an organisation (Berthon, Ewing, and Hah, 2005). Amundson (2007) outlines the main workplace attractors being security, relationships, contribution, recognition, responsibility, work-fit, flexibility, and learning. Amundson fails to mention pay as an organisational attractor. Alderfer (1967) believes that employer attractiveness is the ability of the organisation to meet the evolving needs of the candidate or employee over time. The general theme of employer attractiveness is that is it what the employee stands to gain from employment with one company over another. It is understood that pay helps to meet the needs of the employee, however this is not explicitly stated by either Amundson or Alderfer. For lower and middle earners, it is possible that pay is the biggest pull factor, as it enables workers to have buying power where the cost of living is high, such as Ireland.

### 2.5.2. The Issue of Skills Shortages and Organisational Performance

Recruiting top talent is a source of competitive advantage, as top talent drives organisational performance, leading to improved organisational results. Enterprise Ireland (2020) reports that many organisations find it increasingly difficult to attract top talent. With millennials accounting for approximately half of the workforce, organisations are challenged to deliver total rewards that are attractive, flexible and take into context the needs of different generations with different values (Thompson and Brodie, 2012).

The perception of millennial disloyalty means that tenure-based rewards are unlikely to be an attractive pull-factor in a competitive marketplace. Bussin & van Rooy, (2014) agree, warning that tenure-based reward is becoming less of an attractor as younger generations place less

value on long tenure and are therefore unlikely to benefit from any long-term increases to compensation.

One can infer from both texts, along with reporting from Enterprise Ireland (2020), that to ignore the attracting elements of reward perceived by millennials and Generation-Z, employers risk alienating themselves by decreasing their talent value proposition.

### 2.5.3. “War on Talent”

High performing employees are more likely to move to organisations that can offer better pay, rewards, and prestige (Trevor, 2001). Organisations who are better positioned to compete in relation to their total rewards are the ones who ultimately win the “war on talent”. Helm, Holladay, and Tortorella (2007) suggest that performance-based pay can assist organisations to attract top talent who are set to gain from the equitable nature that performance-based pay offers. Helm *et al.*, (2007) overlook the fact that by hiring talent at a higher cost using equity theory, there is a risk of alienating existing employees. It is evident that organisations should offer rewards and benefits (above the base pay package) to become an attractive employer in the job market; however, the key for employers to attract top talent is by marketing those benefits to appeal to candidates with differing needs and values to apply for open positions within the organisation. For some candidates, money may be a driving force in their decision to look for a new role. For others, career progression or manager relationships may be more important, depending on the work or family situation they are coming from. Organisations should be cognisant to ensure they market the broad range of benefits and opportunities available to new hires, as this assists in the candidate’s decision-making process to apply for a role or not.

### 2.5.4. Non-Financial Reward as an Organisational Attractor

Haider *et al.*, (2015) suggest that non-financial reward is more important to candidates than financial reward. Thompson and Brodie (2012) believe that non-financial reward is key to attracting millennials such as meaning relationships with superiors, feedback and career development. Also highlighted in Thompson and Brodie’s (2012) work was the “casual” nature of millennials, who strive for less formality in their workplace both in terms of location and in hours. Flexible working as a non-financial reward has therefore grown in relevance and importance in the talent value proposition, with many companies becoming more receptive to the concept.

While candidates are placing increasing value on not only financial reward, but on rewarding relationships, development opportunities, work-life balance, and sense of achievement, base pay and financial reward cannot be underestimated. While many studies have highlighted preferences of reward amongst generational cohorts, the impact of total reward on employer attractiveness in medium to large organisations in Ireland is currently unknown.

## 2.6. Reward and Employee Retention

### 2.6.1. Declining Loyalty

It is widely understood and accepted that with each generation, employer loyalty has been in decline. Where once an employee would stay with one or two companies over a lifetime, some employers now see too much loyalty in a negative light; for example, that they are fixed on one mind-set or lack breath of experience. In a study from 2010, 60% of millennials indicated that they would not remain with one employer for their entire careers (Pew Research Center, 2007). Organisations find that top talent is in demand and most likely to leave or be headhunted (Kang *et al.*, 2018). Millennials are generally accepted as the first generation to shift from the ideology of “employer loyalty” to “employee disloyalty”, seeking out better opportunities with other employers.

### 2.6.2. Generational Perceptions of Reward

Bussin & van Rooy (2014) argue that different generations’ value rewards differently. In a study by Ahlfors (2011) it was found that young people valued non-financial rewards more, despite feeling their financial compensation could be better. This suggests that for Generation-Y, rewards which lead to faster career advancement are valued more than compensation with no long-term prospects for advancement. In the same study, it was found that Generation-X were the least satisfied cohort, maintaining that the reward system in their company was not successful at motivating and engaging employees. It is important that employers understand the differing values and preferences for reward, as family, life and health status can influence reward preferences. Annual reward surveys stand to assist employers to understand the strength each generational cohort places on rewards. As employees are becoming less likely to stay with an organisation long-term, reward must be flexible and consider generational preferences (Brown, 2014). Singh and Mishra (2013) believe that not all organisation’s reward strategies are transparent or perceived as fair. Effective reward strategies should therefore be clear, accessible, optional, and flexible to offset any differences in personal preferences.

### 2.6.3. Employee Engagement and Job Satisfaction

In terms of non-financial reward, Amundson (2007) states that newer employees benefit from rewards that build initial confidence such as public recognition and feedback. Existing employees benefit from reward which develops and improves their career trajectory (Thompson and Brodie, 2012), such as coaching, mentoring, valuable critiquing feedback and recognition. The research indicates that better non-financial reward leads to increased job satisfaction and engagement, and therefore increased opportunity for financial reward in respect of pay increases, bonuses, merit increases, and promotions. This research overlooks the importance of the motivators for people looking to change employers, which is often due to preference for increased pay or responsibilities.

#### 2.6.4. Activity-Goal Association

It is important in performance organisations that employees associate their actions with reward. Woolley and Fishbach, (2018) believe that retaining talent is about conditioning employees to strengthen the “activity-goal association”. This is achieved by delivering rewards immediately after the desired behaviours and outcomes occur. Vroom’s expectancy theory is fundamental to the activity-goal association, as expectancy is the correlation between the activity and achieving the goal. Van Eerde and Thierry (1996) add that activity-goal association leads to a “second-level outcome”, the reward for activities due to increased employee output. While neither study discusses trust and expectancy, they focus on timely delivery of expected reward, indirectly insinuating that late rewards result in loss of goodwill and trust which can result in breakdown of the employment relationship and thus, resulting in attrition.

#### 2.6.5. Relationships, Development and Reward

It is often said that when leaving an organisation, the employee misses the people the most. It is also often said that employees do not leave due to their roles, they leave due to ineffective managers. Halilbegovic, Celebic and Idrizovic (2018) warn that employee turnover is impacted by meaningless or non-existent feedback by managers. Sonawane (2008) refers to the Robert Hall International 1994 study, in which it was found that “lack of praise and recognition” was the largest contributor to employee turnover.

Alderfer (1967) warns that for many employees, with growth comes an exchange of frustrations; from frustration with lack of responsibilities substituted for frustration with superiors due to poor communication and feedback. Ambiguity regarding expectations can lead to employees failing to reach goals and earn rewards. Sonawane (2008) emphasises that good peer and management relationships have been found to increase the value perception of rewards in employees. Effective leadership therefore is dependent on effective communication and strong emotional and social intelligence.

Recruitment activities can only address skills shortage issues in the short-term, however recruitment is costly, time-consuming, and disruptive for teams. For employers experiencing skills shortages and increasing difficulty to recruit top talent, attention must turn to balancing employer attractiveness with the employee development strategy to compete in a competitive marketplace. Without improvement in performance management, coaching, feedback giving, communication and emotional intelligence, a total reward strategy can be quickly undermined.

### 2.7. Reward and Gender

#### 2.7.1. Gender Pay Gap

The Gender Pay Gap is the difference in hourly pay for men and women, expressed as a percentage (Perkins, White and Jones, 2016). IBEC (2021) distinguishes that the gender pay gap helps to identify if women are “unequally represented at different levels of an

organisation". Armstrong (2019) further clarifies that the gender pay gap is different to unequal pay, as unequal pay is "the difference in pay between men and women who carry out the same or similar work" (p.109). To reduce the gender pay-gap, organisations must have honest conversations about the support for women in the workplace, both in terms of tangible benefits, and how women are respected, regarded and relied upon for their contribution to the organisation.

In Ireland legislation is yet to be published regarding mandatory reporting on the gender pay gap, similar to other countries such as the UK and Iceland. The Gender Pay Gap in Ireland is currently 13.9% (IBEC, 2021), and is narrowing year on year according to the latest Eurostat Figures. While Perkins, Geoff and White (2016) do not criticise the idea of reporting on the Gender Pay Gap, they do criticise elements of how the Gender Pay Gap is calculated, such as the fact that different agencies use either the mean or the median hourly wage. They argue that on average men work more hours than women and therefore the two methods of calculation can produce different results. Perhaps this mind-set is part of the issue, and the question needs to be more around why women work less hours than men? Armstrong, (2019) believes that the gender pay gap is largely due to women holding lower-paid, part-time roles; again, one should ask why this is? Are there not enough supports to ensure women are not overlooked for opportunities, supports which could also be considered "marketable benefits"? Perkins, White and Jones (2016) argue that based on research, women aged 18-39 experience less of a gender wage gap than women 40+, and attribute this to having reduced job opportunities after taking time to raise a family. This seems to be imbalanced when one considers that maternity leave is 6 to 11 months in Ireland, a short amount of time over the 40+ year lifetime of a career.

#### 2.7.2. Value Perception of Rewards Based on Gender

Similar to how different generational cohorts perceive the value of rewards differently, differing genders have also been found to perceive the value of rewards differently. Pregolato, Bussin, and Schlechter (2017) found that overall, women in a South African study value non-financial rewards most in a survey of total rewards. Sicherman (1993) disagrees, stating that women leave companies due to better compensation opportunities elsewhere. Krishnan (2009) found that female attrition was mainly due to compensation inequity, implying that equality, and financial reward are important to women. A study by Browne (1997) found that men and women did not differ when it came to financial reward expectations. Chow and Ngo (2002) found that in a study of Chinese university students, while there were similarities in preferences between males and females, one striking difference was in job security, with women valuing the need for job security far higher than men. In Ireland, where the cost of living is high, most families do not have the option for single salaries as women are expected to earn an income to supplement the cost of living. While career development and recognition are undeniably important, pay and equality are fundamental to affording the high cost of living.

### 2.7.3. Rewards Systems to Support Female Participation in the Workplace

Krishnan (2009) states that the “greater the representation of women at the top, the higher the performance of the organisation” (pp.1181-1186), however organisations need to do more to encourage women to feel valued in the workplace. Pregolato, Bussin, and Schlechter (2017) state that tailored rewards packages based on various demographic cohorts show higher levels of engagement and commitment to stay with organisation. In a study by Krishnan (2009) it was found that 17% women who left their employer in a two-year period did not go on to work elsewhere and stated that it was most likely this group left due to family matters. Sicherman (1993) agrees, stating that women were more likely to leave due to family responsibilities (7% of women versus almost no men). For this reason, Krishnan (2009) recommends that a career plan for women should be part of the overall strategy to attract and retain women in the workforce, specifically mentioning as a reward tool to build women’s career opportunities. The study fails to recommend methods to assist women to feel free to take time out of the workforce for family matters, such as enhanced paid leave, gender-pay gap reporting, women’s advancement opportunities, and initiatives to ensure women feel they can return to the workforce with equal opportunities to their male counterparts. Conversely, perhaps the question should also shift to ask why men do not take more time out of the workforce for family matters. Perhaps supporting men with paid family time would encourage men to take time, allowing women to stay in the workplace, thus increasing equality and reducing the gender pay gap.

Wright (2004) citing the Kingsmill Report (2001) states that implementation of work-life balance and other various policies will enhance gender equality in the workplace. Non-financial rewards such as reducing the working week, adopting flexible work schedules, working from home etc., and financial benefits such as enhanced leave types, paid or subsidised childcare, tuition reimbursement and equal opportunities etc. may enhance women’s participation in the workforce. However, all efforts fail unless employees shift their perception as women being considered a “time-bomb” or “less committed” for utilising maternal and parental support.

## 2.8. Criticisms of Reward Systems

Reward systems often require employees of all levels to achieve stretch goals, however those in lower positions often only receive a smaller proportion of rewards relative to those occupying higher positions. Brown (2014) is critical of total reward systems, arguing that only some (white males in their 40’s) are “totally rewarded” and that the majority are “actually rewarded”, a concept he describes as the “reality gap”. To overcome this inequality, Brown (2014) recommends a “smart rewards” approach; benchmarking salaries, generous core benefits that are flexible and valued by employees, and inclusive financial reward, all linking back to employees' contribution performance of the organisation. While this approach is logical, it does not address favouritism and employee desire for transparency. Bussin & van Rooy, (2014) outline that for total reward strategies to be successful, they need to be fair, flexible and transparent, however warn that many organisations have been criticised for keeping

reward a closely guarded secret, the details of which are on a “need-to-know” basis. This is consistent with Singh and Mishra’s (2013) findings, that most employees feel that total rewards are not as fair and consistent as they should be. While there is a gap in the perceived fairness of total rewards, employees should be cognisant that the purpose of total rewards is to reward based on equity, not equality, a point that is often overlooked in studies.

## 2.9. Conclusion of Literature Review

Total rewards aim to drive operational performance and value through employee satisfaction, while also addressing employer branding and attractiveness. Rewards must be built around employee’s differing needs. When administered effectively, total rewards contribute to driving a performance culture through value-adding performance, however it is important that reward systems are perceived as objective, measurable and equitable.

Much literature is available regarding how non-financial reward benefits both the employee and the organisation, with the general view being that financial reward is not as important as the intrinsic satisfaction of non-financial reward. There are gaps in studies regarding financial reward and its effect on the candidate’s decision to work for an organisation. It is unknown whether medium and large organisations in Ireland should pay more attention to financial or non-financial rewards, and in considering each type, whether employees’ value extrinsic or intrinsic reward equally or differently.



## 3. Methodology

### 3.1. Introduction

The purpose of a research methodology is to outline the plan for the research being undertaken and is significant as it guides the techniques to be used in the study (Adams, Khan, and Raeside, 2014). The methodology outlines the aims and objectives of the study, how the study will be conducted, who the study will target, and how the data will be analysed. It also outlines the research philosophy, design, data collection methods and the limitations to the data collection method, with the purpose of aligning back to the literature to understand the place of the elements of total rewards in Ireland.

The main research question is to understand the value placed on various elements of total rewards in medium and large organisations in Ireland. The purpose of the study is to assist HR practitioners to understand the perception of rewards in medium and large organisations in Ireland, how differing cohorts of employees perceive and value those rewards when considering working for a company, and how they influence decision making when considering leaving a company.

A quantitative analysis was undertaken due to the desire for a broad understanding on the topic and the practicality of administering to larger numbers of participants. Many of the previous research theses submitted to National College of Ireland took a qualitative approach, or for those that took a quantitative approach, the scope was narrowed into industries. The questions chosen in the study were guided by the analysis and gaps in the literature review.

### 3.2. Research Objective

The objective of this research is to understand the impact of rewards and benefits on employer attractiveness and retention in medium and large organisations in Ireland.

While research on this topic has been carried out in other countries such as South Africa, United States, India and Pakistan, there is limited academic research on the benefits which attract and retain employees, particularly in Ireland. Previous research on this topic has mostly focused on what employees of all sized organisations value in general, and then breaking down the values into generational cohorts. By removing micro and small organisations, the “playing field” has been levelled somewhat to employees working for employers which tend to compete in the marketplace by offering a broad range of benefits to employees. This objective is also specific to identifying the benefits which attract and retain candidates in an “ideal world” scenario, as opposed to identifying what is valued based on what is available in their current companies.

There are three hypothesis which follow from the literature review, and two sub-objectives which are secondary to the main research:

- Hypothesis 1: Non-financial reward is more important to employees in Ireland when considering working for a medium to large company in Ireland.

- Hypothesis 2: Differing generations value financial and non-financial reward differently.
- Hypothesis 3: Differing genders value financial and non-financial rewards differently.
- Sub-Question 1: Service based reward increments are declining in attractiveness when considering working for a medium to large company in Ireland.
- Sub-Question 2: Employees in medium to large organisations in Ireland do not feel that the majority of Total Rewards benefits them personally.

By analysing this data, this study can assist HR practitioners in medium and large organisations to gain an insight into the benefits which matter most to employees working in similar sized companies in Ireland, and to utilise this data to aid its employer branding in the marketplace. Organisations can also gain an insight into where rewards systems are succeeding in retaining employees, and what aspects of reward systems are failing in their objective of retaining talent.

### 3.3. Research Philosophies

According to Saunders, Lewis and Thornhill (2019), research philosophies are the “systems of beliefs and assumptions about the development of knowledge” (p.130). Quinlan (2011) describes research philosophies as the “worldviews” or social views of reality that can be taken, and explains that the research philosophy should be reflected in the research undertaken. Research philosophies are important to be cognisant of when conducting a research study, as the researcher’s philosophy on a given topic will guide the way in which information is presented and the conclusions made. Research is therefore open to critique and debate, which brings about future research.

#### 3.3.1. Positivism

Positivism is the philosophy that there is only one reality which is objective in nature (Quinlan, 2011). Saunders *at al.*, (2019) argue that positivism is factual, observable, and independent. Positivism is the philosophy one of the existence of one universal truth, and in research this lends itself to quantitative research that is structured and quantifiable. A positivist remains neutral throughout to avoid influencing the responses by asking very structured questions, and receiving very structured responses (Saunders *at al.*, 2019).

#### 3.3.2. Interpretivism

Interpretivism is the philosophy that reality is dependent on the person interpreting it, i.e.: people have different interpretations of reality (Quinlan, 2011). Saunders *at al.*, (2019) further describe interpretivism as subjective and having multiple meanings depending on people’s perceptions and experiences. In research, an interpretivist approach would be more suited to a qualitative study as it allows the experiences of the individual to be analysed in greater detail.

It is necessary to align philosophies with the style and structure of the research being conducted (Quinlan, 2011). A positivist approach analyses results based on scientific and

statistical methods of analysing data. The philosophy in this study follows a positivist approach due to the nature of questionnaires, and is appropriate as the findings are objective and factual in nature, leaving little room for interpretation.

### 3.4. Research Design

A research design is fundamental to the research strategy, as it is the method for achieving the goals of the research objectives. A descriptive design is appropriate to this research as the quantitative nature along with the survey-based data collection methods can be reported on in a factual and observed manner. A cross-sectional design analyses data by looking at relationships between categories (Adams *et al.*, 2014). In this study, a descriptive, cross-sectional approach was used, as the research looks at current outlooks only and considers the responses of several variables, including age and gender. It would have been difficult, unethical, and unrealistic to adopt various other approaches such as experimental, due to the requirement of that approach of varying rewards with cohorts of participants. Similarly, a longitudinal approach was discounted due to time limitations on the study (Saunders *at al.*, 2019). A descriptive, cross-sectional design allows the researcher to observe, analyse and compare data from a sample size of 102 people and report on both the responses in a factual and observed manner.

### 3.5. Research Approach

Data are the pieces of information collected by the study to be used in the research. There are two methods for gathering data in a research study: quantitative and qualitative (Saunders *at al.*, 2019). Qualitative data studies themes and rationale and is non-numerical whereas quantitative data is numerical, statistical, and measurable (Adams *et al.*, 2014).

Prior quantitative research on the area of total reward has generally focused on non-financial reward only. This research opted to take a statistical approach to understanding total reward in Ireland, and its effect on organisational attractiveness and retention. A quantitative approach enabled the data to be structured to reinforce the significance of the findings (Saunders *at al.*, 2019).

### 3.6. Research Method Data Collection:

#### 3.6.1. Methodology Instrument

The methodology instrument was primary quantitative data from a cross-sectional sample population of employees currently or recently working in medium to large organisations in Ireland. The researcher used secondary data from similar research on the topic to analyse similarities between results of the primary and secondary data research, if any. This was to assist in understanding if there are similarities or differences between studies, and highlight potential significance of any similarities or differences (Theam Choy, 2014). A cross-sectional research also allowed the study to analyse various hypotheses at the same time.

### 3.6.2. Data Collection Procedure and Process

To gather the data required to conduct the analysis on the perception and value placed on elements of workplace rewards, an online survey was administered to the participants through 'SurveyMonkey'. A survey aims to extract data in a structured and systematic way. Surveys ensure that participants are asked the same questions in the same way, with answers which are predefined and can be selected by the participant. The results can then be used to represent a sample of the population as a whole, however larger response rates increase the statistical significance of the findings (Quinlan, 2011).

Once the data was collected, it was exported to excel and uploaded to an SPSS software system, aside from one question, the rating rewards question (question 5). This system ensured ease of administration (Quinlan, 2011) to a sample of 100+ participants.

### 3.6.3. Data Analysis

The analysis of the data in research is one of the fundamental steps, as it forms the basis of the findings of the research. In a quantitative study, the analysis is based on numerical responses which are transformed into statistics using SPSS software and excel data analysis. The analysis methods used in the main section of this study, which looks at rank order and preferences for financial and non-financial rewards and benefits to various cohorts, were independent samples T-Tests along with Mann-Whitney U Tests. Due to the access issues in NCI since 02 April 2021, this was half conducted in Excel, and half conducted in SPSS. The mixed methods of analysis for this section were preferable as SPSS is not the most practical programme to analyse rank order questions. In the second part of the study, frequency analysis of Likert-scale style questions was used to enhance the findings in the first section across all respondents.

### 3.6.4. Validity of the Research Methodology

Ensuring validity of the research methodology is important in research studies as it enhances the credibility of the questions and findings. This research ensured validity by using questions from an existing "employee voice" survey, and various other surveys where possible, and running a Cronbach's alpha report on the scale-based questions. For the questions which did not come from existing surveys, these questions were validated by the research philosophy and therefore reporting on their frequency results in an objective and factual manner.

The Cronbach's alpha score for the total rewards questions (taken from an existing employee voice survey) was .825, which is above the academic threshold required for academic purposes, and can be found in appendix 1.

### 3.6.5. Survey Design

The hypotheses and subsequent questionnaire were built around the literature review, however the literature reviewed did not list the surveys used for the research. While much of the literature did use quantitative methods for research, there were several reasons why this research survey did not use the surveys which were used in the literature:

- a) Many of the articles focused on employers and their range of rewards. While this was helpful to build up a list of the range of benefits which employers used (and assisted in forming the basis of question 5 in this survey), these surveys were too technical and therefore did not help to create employee-focused questions.
- b) Many of the articles did not actually show or list the surveys, and therefore it was difficult to pinpoint the wording of the various questions used to feed the SPSS findings.
- c) Most of the articles were exploratory discussions on rewards, and while they referenced the findings in many articles by other authors (which were also reviewed as part of this study), it did not lead to finding the source of the surveys.

Ultimately, this study used a combination of approaches to create the survey which was administered:

- a) The demographic questions were guided by the requirements of the hypotheses.
- b) The age question (question 2) was devised by calculating the current (2021) ages of Generation X, Generation Y, and Generation Z according to financial technology and marketing services organisation Kasasa (2021). The reason for choosing this firm's explanation was that they are renowned for their generational insights and gave both birth years and current ages. The ages were verified by cross checking with various other reputable websites.
- c) The questions relating to organisation sizes and types (question 3 and 4) were verified using data from the Central Statistics Office of Ireland (CSO, 2015).
- d) The question listing 7 financial and 7 non-financial rewards (question 5) took rewards most mentioned in the literature review, and was compiled from a list used by professional HR bodies Sicherman (2012) and WorldatWork (2017).
- e) The questions relating to intrinsic rewards, perceptions of fairness and transparency, contentedness with rewards and reward structures (questions 20 to 25, 32 and 33) were taken with permission from the 2019 Employee Voice survey in the researcher's current organisation – an unnamed large American multinational with a division in Ireland.
- f) The bank of questions relating to engagement (questions 8 to 15) were taken from the Utrecht Work Engagement Scale (Schaufeli and Bakker, 2004).
- g) Four of the questions (question 31, 35, 36 and 37) were taken from Heneman and Schwab's pay satisfaction survey (1985).
- h) All other questions were driven by the hypotheses, after being unable to find relating questions in the literature.

The survey can be found in Appendix 3.

The variable data in this study were gender, generational cohort (age range) and company size. Most of the questions in the study were ordinal Likert Scales, requiring the participants to rate their agreement or disagreement to various statements. The nominal questions were the first four questions relating to demographics and company information.

Ultimately, while used in the survey, the intrinsic and extrinsic reward questions were removed from the research study, as the ransomware attack and lack of resources in NCI meant that the researcher struggled to find a suitable test for this data. Equally the question regarding career development being more important than other rewards was omitted, as the results of the rank order question succeeded in demonstrate these findings. The engagement scale findings were omitted from the final research as they were surplus to requirements, as the researcher felt that to add this would have diluted the topic of rewards into rewards and engagement – a topic worthy of a standalone study.

#### 3.6.6. Pilot Study

To test the survey responses, in particular the ranking order question (question 5) the researcher conducted a pilot study survey with 4 participants. Pre-testing is useful in research studies as it allows the researcher to test whether the data-collection survey is appropriate and measurable, and correct any errors before conducting the main study (Adams *et al.*, 2014).

The feedback from the pilot study determined that question 5 was too long, and as a result, difficult to navigate on a smartphone. This question originally asked participants to rank the order of preference for 20 rewards (10 financial and 10 non-financial), when looking to work with a company. Upon discussing the pilot survey with the participants, this question was reduced to 14 of the most discussed rewards based on the literature reviewed – 7 financial rewards and 7 non-financial rewards.

#### 3.6.7. Research Population & Sampling

Sampling is the selection of participants of which the survey parameters are defined (Adams *et al.*, 2014). As the rewards and benefits in medium and large companies tend to be broader than in small and micro companies, the researcher opted for a non-probability sampling approach to remove the participants who selected that their organisation had less than 50 employees. Non-probability sampling is sampling which does not give every participant an equal opportunity to have their responses selected for use in the study (Saunders *et al.*, 2019). This left only those who work in medium or large organisations.

The researcher used a “quota” with “convenience” approach with the sample population. Convenience samples are simple to conduct, allowing the researcher to survey anyone, rather than specific groups of people (Adams *et al.*, 2014) such as those working in a business unit of one organisation. These methods were selected, as the researcher analysed responses

given by the eligible population of employees working, or recently working in medium and large organisations in Ireland.

No one organisation was chosen, as the thesis demonstrates the relationship between total reward, and attraction and retention in general in medium and large organisations operating in Ireland. For this reason, purposive sampling has been disregarded.

*i. Sample Size*

The survey was sent to 93 participants of peers (academic and professional colleagues), along with a link to the survey on the researchers LinkedIn page with 410 connections. By using LinkedIn, the element of narrow representation of the population was reduced, as the researchers LinkedIn connections are mostly not known to the researcher. It was therefore less likely that the respondents would be similar to researcher than if the survey was administered through Facebook to the researcher's friendship group. The survey was open for a total of 7 days from Friday 19th March to Friday 26th March 2021. The mixed approach was selected for two reasons; the first was to open the survey to an increased number of respondents and therefore increase the statistical accuracy of the results, and the second was to gain some variation in the sample population across various companies, age demographics etc. A total of 156 participants responded; a 31% response rate, with 102 participants in scope for analysis. According to Adams *et al.*, 2014, survey response rates are "barely ever above 20%" (p.96) and therefore a 31% response rate is considered above average for its type.

*ii. Selecting Participants*

The selection criteria for the research is that participants must be current (or, due to Covid-19, recently employed) employees of medium and large organisations based in Ireland. The literature on reward was found to mostly be based in other countries such as the United States, South Africa, and Pakistan, and therefore there was a gap in the literature for Irish-based employees. All age groups and genders who responded were in scope for analysis.

*iii. Participants Profile*

*Gender:*

To ensure inclusivity amongst genders, the options in the survey for gender were "male", "female", and "other". While the option was included to choose "other" as a gender, no participants or respondents (including those not in scope) selected "other" as their gender. This left only participants identifying as male and female.

Of the 102 participants in scope for the study, 37 participants (36.3%) were male and 65 participants (63.7%) were female.

### Age Profile:

All age categories surveyed were in scope for inclusion in the study - the age categories were chosen based on the years of birth of differing generations according to Kasasa (2021).

Of the 102 participants, 66 participants (64.7%) were aged 25 – 40 (Generation Y/Millennials), 35 participants (34.3%) were aged 41 – 56 (Generation X), and 1 participant (1%) was 57+ (Baby Boomer). None of the participants or respondents (including those not in scope) selected the 19 – 24 age bracket (Generation Z).

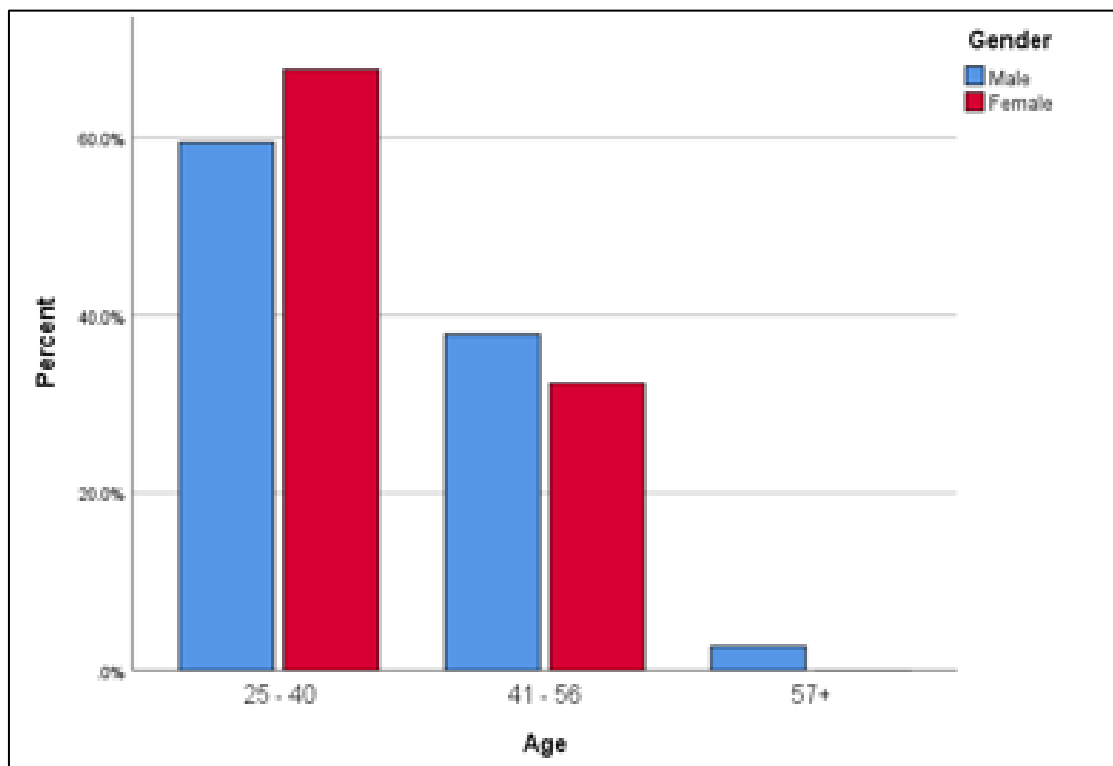


Figure 1 - Age and Gender Profile

### iv. Organisation Size

The organisation sizes which were in scope for this study were medium sized organisations of 50 – 249 employees, and large organisations of 250+ employees.

Of the 102 participants who were in scope for this study, 23 participants (22.5%) work in medium sized organisations, and 79 participants (77.5%) work in large organisations.

Respondents who selected their organisation size as having 1 – 9 employees (micro-organisations) and 10 – 49 employees (small organisations) were removed from the sample as they were not in scope for this study.



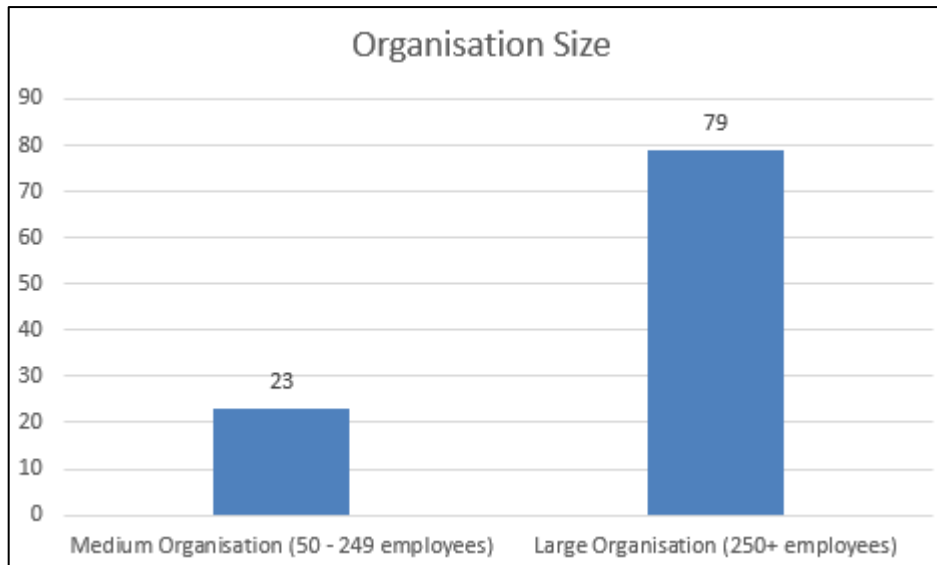


Figure 2 - Organisation Size

v. Organisation Type

The organisation types which were in scope for this study are organisations based in Ireland. The organisation types which could be selected were: mainly or wholly Irish-owned organisation, separate division of a mainly or wholly Irish-owned organisation, Irish division of an internationally owned organisation, and other. For participants who selected “other”, a text box required them to elaborate on the organisation type. Where it was clear the organisation was based in Ireland, the responses were kept, and where it was unclear or evident that the organisation was not based in Ireland, the responses were removed from the data. These steps ensured that the participants were working in Ireland.

Of the 102 participants who were in scope for this study, 28 participants (27%) work in mainly or wholly Irish-owned organisations, 5 participants (5%) work in a separate division of a mainly or wholly Irish-owned organisations, 68 participants (67%) work in an Irish division of an internationally owned organisation, and 1 participant (1%) works in an “other” type of organisation (US owned with subsidies in Canada and Ireland).

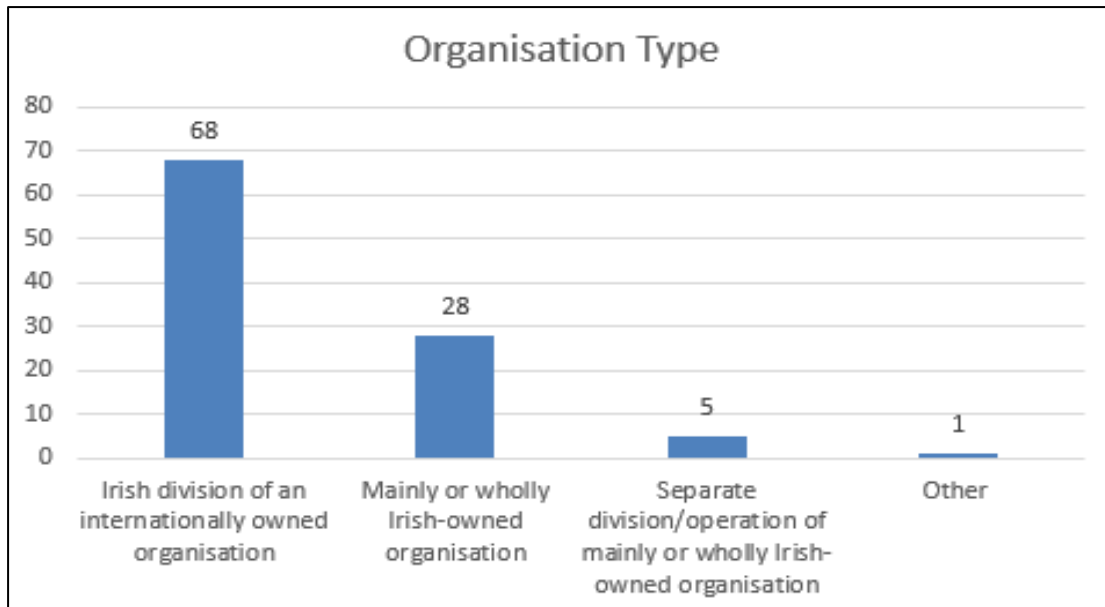


Figure 3 - Organisation Type

### 3.7. Limitations to Research

The limitations to selecting a quantitative methodology over a qualitative methodology is that it does not explore common themes or the rationale behind the relationships between concepts. Due to the methodology choice, the research did not explore the experiences of the sample population or delve deeply into the range of factors underneath the rationale which lead to disengagement, intention to quit, and what attracts people to certain organisations. Nonetheless, it is important to understand first if there is a relationship between rewards and employer attractiveness and employee intention to quit, before conducting in-depth qualitative, experiential research.

The literature reviewed was almost entirely from studies based outside of Ireland, as there was little that specifically related to Ireland. Had more literature have been completed in Ireland, it would have made for more specific analysis of correlations and contrasts.

Other limitations to the research were the Covid-19 pandemic limiting all research resources to online-based only. Another limitation to the study, and compounded by the online access only, was the ransomware attack on National College of Ireland systems, which delayed the methodology, analysis and conclusion sections being completed as there was no access to resources such as books, and limited access to articles for the final 5 weeks of research.

### 3.8. Ethical Considerations

The ethical considerations were paramount to this study, from the design, implementation and to the analysis stage. Ethics are important to consider when conducting research as they assist in reducing harm or embarrassment to the participants (Saunders *at al.*, 2019). On the survey landing page, the participants were greeted with a welcome message, along with information on the objective of the study, and information regarding anonymity of answers.

The survey did not ask participants to disclose any identifiable data such as participant names or organisation name as it was not required.

The welcome page also outlined that by completing the survey, participants were consenting to their answers being used in the study. Participants were informed they could opt-out of the survey at any point, and if this was the case the answers would not be saved. The welcome page can be found in appendix 3.

The survey contained only one question with a free-text box answer which the question relating to organisation type. This question allows participants to free-type a response if their organisation type does not fit in with the other three choices. All other questions required participants to select an answer, with most questions requiring a “strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree” response. This limited the amount of data being collected to pre-defined Likert-scale responses.

## 4. Findings and Discussion

### 4.1. Introduction

In this section the results of the study are presented and discussed in relation to the literature reviewed. The participants were asked firstly to rank the order of preference of several financial and non-financial rewards as an attractor to work in other companies, and therefore not limited to what is offered in their current organisation. The participants were then asked to rate their agreement in a Likert-scale style, with various statements regarding service-based increments, intrinsic reward, perception of reward and benefit fairness, and career development.

### 4.2. Analysis & Discussion

4.2.1. Hypothesis 1: Non-financial reward is more important to employees in Ireland when considering working for a medium to large company in Ireland.

This section was to test the findings of Haider *et al.*, (2015) which found that non-financial reward was more important than financial reward.

Firstly, the results associated with the overall ranking of financial and non-financial rewards are presented. These results are irrespective of the respondent's generational cohort. The rationale behind including general results is that not all companies wish to take a tailored approach to their reward offering, and therefore a general insight into rewards can assist HR practitioners to understand the order of importance for various benefits according to a general sample of employees working for medium and large organisations in Ireland.

*i. Financial versus non-financial Reward types across all respondents*

The results from a ranking of financial and non-financial reward types are presented in Table 1. The first column lists the reward category, the second column lists the reward type, and the final third column lists the overall ranking assigned to each reward type. Lower magnitude scores indicate that reward type as being considered more important in comparison to larger magnitude scores. For example, of all the financial reward types, base pay was the most important, whereas stock options were the least important. Considering non-financial reward types, flexible working arrangements were perceived to be the most important, whereas; recognition programs were the least important.

The findings in this section are contrary to Haider *et al.*, and indicate that for employees of medium and large organisations in Ireland, both financial and non-financial reward are of equal importance.

Reward Type	Reward	Ranking
Financial	Base Pay	176
Financial	Bonus	576
Financial	Health Insurance	623
Financial	Pension Contribution	673
Financial	Commission	1021
Financial	Tuition reimbursement	1036
Financial	Stock options	1100
Non-financial	Flexible work arrangements	487
Non-financial	Career development opportunities	585
Non-financial	Culture	698
Non-financial	Manager & Peer Relationships	721
Non-financial	Manager effectiveness/Coaching	809
Non-financial	Challenging work	888
Non-financial	Recognition programs	944

Table 1 - Rank ordering of reward type within financial and non-financial constructs.

A ranking of the reward types across all categories are presented in Table 2. The most important reward type being associated with the financial incentive is base pay, the least important reward type being the financial incentive of stock options. Interestingly, non-financial reward types, for example, flexible working arrangements and career development are the second and fourth most important reward recognition types.

Reward Type	Reward	Ranking
Financial	Base Pay	176
Non-financial	Flexible work arrangements	487
Financial	Bonus	576
Non-financial	Career development opportunities	585
Financial	Health Insurance	623
Financial	Pension Contribution	673
Non-financial	Culture	698
Non-financial	Manager & Peer Relationships	721
Non-financial	Manager effectiveness/Coaching	809
Non-financial	Challenging work	888
Non-financial	Recognition programs	944
Financial	Commission	1021
Financial	Tuition reimbursement	1036
Financial	Stock options	1100

Table 2 - Ranking across both financial and non-financial rewards.

The results from the ranking of financial and non-financial reward types, presented as a bar chart are in Table 3. The rankings from Table 2 are reversed and subtracted from the absolute highest possible value (1428) in the values axis, demonstrating higher magnitude scores as the reward type considered more important in comparison to lower magnitude scores. The category axis presents the reward type, in order of preference from highest preference (base pay) to lowest preference (stock options) across all respondents.

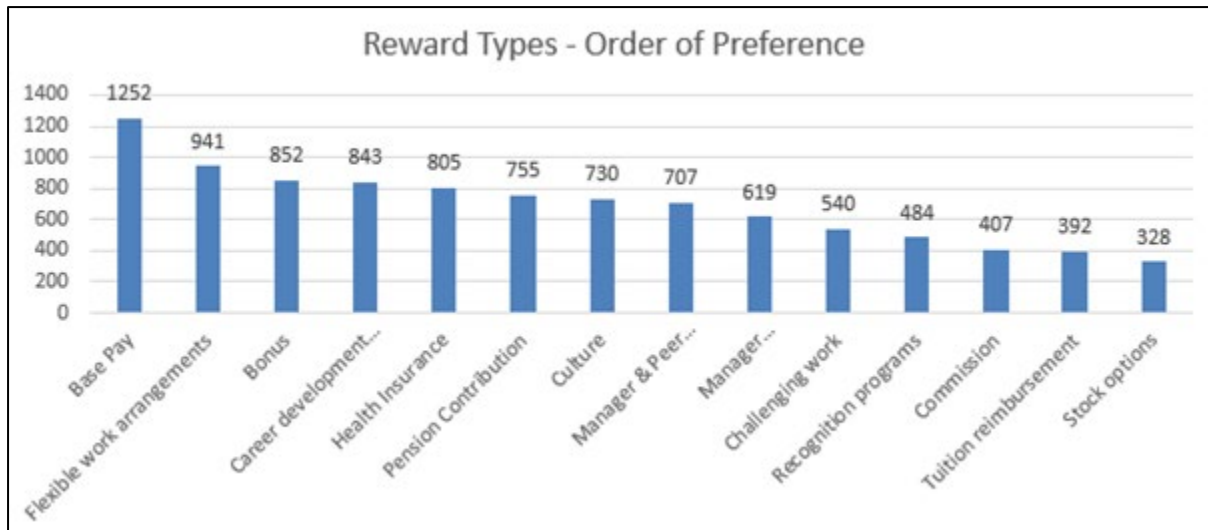


Table 3 - Ranking across both financial and non-financial rewards, presented as a bar chart.

### Independent Samples T-Tests

To assess if average financial reward ranking, irrespective of individual reward type, was different to average non-financial reward ranking an independent samples t-test was undertaken. Due to large differences in financial and non-financial category variances, an independent samples t-test assuming unequal population variances was relied upon. The results of the independent samples t-test indicating that there was no evidence to suggest that average financial reward perception ( $M = 743.57$ ,  $SD = 331.48$ ) was different to average non-financial reward perception ( $M = 733.14$ ,  $SD = 162.33$ ),  $t = 1.83$ ,  $df = 9$ ,  $p = 0.94$ . The results are presented in Table 4.

	<i>Financial Benefits</i>	<i>Non-Financial Benefits</i>
Mean	743.5714286	733.1428571
Variance	109876.2857	26351.80952
Observations	7	7
Hypothesized Mean Difference	0	
df	9	
t Stat	0.074755043	
P(T<=t) one-tail	0.471022419	
t Critical one-tail	1.833112933	
P(T<=t) two-tail	0.942044838	
t Critical two-tail	2.262157163	

Table 4 - Results of the independent samples t-test

### Independent Sample Test (Mann-Whitney U Test)

Due to the small sample size, to assess differences in average ranks in relation to financial reward types compared to non-financial reward types, a Mann-Whitney U test was undertaken. The results of the Mann-Whitney U test revealed that there was no evidence to suggest that average financial reward perception ( $Md = 673$ ,  $n=7$ ) is different to average non-

financial reward perception (Md = 721, n = 7), U = 23.00, z = -0.192 = 9, p = 0.90, with a low effect size r = -0.05. The results of the Mann-Whitney U test are presented in Table 5, and the median results can be found in Appendix 4.

Ranks				
	Reward_Type	N	Mean Rank	Sum of Ranks
Rank_Scores	Financial Reward	7	7.71	54.00
	Non-Financial Reward	7	7.29	51.00
	Total	14		

Test Statistics <sup>a</sup>	
	Rank_Scores
Mann-Whitney U	23.000
Wilcoxon W	51.000
Z	-.192
Asymp. Sig. (2-tailed)	.848
Exact Sig. [2*(1-tailed Sig.)]	.902 <sup>b</sup>

a. Grouping Variable: Reward\_Type  
b. Not corrected for ties.

Table 5 - Results of the Mann-Whitney U Test

The conclusion from this section is that for employees medium and large organisations in Ireland, both financial and non-financial reward hold almost equal importance when considering leaving a current employer and moving to a new employer. This is contrary to the findings of Amundson (2007), Sonawane (2008) and Kang *et al.*, (2018), who found that non-financial reward was more important than financial reward at attracting and retaining employees. The findings agree with Haider *et al.*, (2015) that firstly basic financial pay is the most important organisational attractor, and with Locke *et al.*, (1980) who stated that base pay was by far the most important reward in an employee's total compensation package (Haider *et al.*, 2015).

#### 4.2.2. Hypothesis 2: Differing Generations value financial and non-financial reward differently

This section was to test the findings of Thompson and Brodie (2012) and Bussin & van Rooy (2014) who state that non-financial reward was key to attracting millennials (Generation-Y).

The set of results are associated with the ranking of reward types within Generation-X respondents, followed by the ranking of reward type importance within Generation-Y respondents. The rationale behind dividing the data into their relative generational cohorts is

to understand the differences between the preferences for financial reward versus non-financial reward of both Generation-X and Generation-Y.

The results of an analysis of the differences in attractiveness of financial rewards and separately non-financial rewards is presented. A side-by-side comparison of both Generation-X and Generation-Y employee’s preferences when considering working for a new employer is made to demonstrate the ranking order differences between both cohorts.

*i. Financial versus non-financial reward types across Generation-X only*

The results from a ranking of financial and non-financial reward types by the respondent who fall into the category of Generation-X only are presented in Table 6. The first column lists the reward category, the second column lists the reward type, and the final third column lists the overall ranking assigned to each reward type. Lower magnitude scores indicate that reward type as being considered more important in comparison to larger magnitude scores. For example, of all the financial reward types, base pay was still considered to be the most important to Generation-X, and stock options was the least important. Considering non-financial reward types, flexible working arrangements were perceived to be the most important to Generation-X, whereas; recognition programs were the least important.

Reward Type	Reward	Ranking
Financial	Base Pay	56
Financial	Bonus	189
Financial	Health Insurance	193
Financial	Pension Contribution	213
Financial	Tuition reimbursement	346
Financial	Commission	350
Financial	Stock options	393
Non-financial	Flexible work arrangements	147
Non-financial	Career development opportunities	217
Non-financial	Manager & Peer Relationships	263
Non-financial	Culture	269
Non-financial	Manager effectiveness/Coaching	297
Non-financial	Challenging work	304
Non-financial	Recognition programs	307

*Table 6 - Rank ordering of reward type within financial and non-financial constructs for Generation-X respondents.*

A ranking of the reward types across all categories are presented in Table 7. The most important reward type was associated with the financial incentive base pay, and the least important reward type being the financial incentive of stock options. Interestingly, non-financial reward types, for example, flexible working arrangements stayed in second place overall across reward types, however career development dropped from 4th to 6th place in the rankings.



Reward Type	Reward	Ranking
Financial	Base Pay	56
Non-financial	Flexible work arrangements	147
Financial	Bonus	189
Financial	Health Insurance	193
Financial	Pension Contribution	213
Non-financial	Career development opportunities	217
Non-financial	Manager & Peer Relationships	263
Non-financial	Culture	269
Non-financial	Manager effectiveness/Coaching	297
Non-financial	Challenging work	304
Non-financial	Recognition programs	307
Financial	Tuition reimbursement	346
Financial	Commission	350
Financial	Stock options	393

Table 7 - Ranking across both financial and Non-financial rewards for Generation-X respondents

### Independent Samples T-Tests

To assess if average financial reward ranking, irrespective of individual reward type, was different to average non-financial reward ranking for Generation-X respondents, an independent samples t-test was undertaken. Due to large differences in financial and non-financial category variances, an independent samples t-test assuming unequal population variances was relied upon. The results of the independent samples t-test indicating that there was no evidence to suggest that average financial reward perception (M = 248.57, SD = 119.46) was different to average non-financial reward perception (M = 257.71, SD = 58.00),  $t = 1.83$ ,  $df = 9$ ,  $p = 0.85$  for Generation-X respondents. The results are presented in Table 8.

	<i>Financial Benefits</i>	<i>Non-Financial Benefits</i>
Mean	248.5714286	257.7142857
Variance	14270.95238	3364.238095
Observations	7	7
Hypothesized Mean Difference	0	
df	9	
t Stat	-0.182154908	
P(T<=t) one-tail	0.429748982	
t Critical one-tail	1.833112933	
P(T<=t) two-tail	0.859497965	
t Critical two-tail	2.262157163	

Table 8 - Results of an independent samples t-test for Generation-X respondents.

### Independent Sample Test (Mann-Whitney U Test)

Due to the small sample size, to assess differences in average ranks in relation to financial reward types compared to non-financial reward types, a Mann-Whitney U test was

undertaken. The results of the Mann-Whitney U test revealed that there was no evidence to suggest that average financial reward perception (Md = 213, n=7) is different to average non-financial reward perception (Md = 269, n = 7) amongst Generation-X participants, U = 24.00, z = -0.064, p = 0.94, with a low effect size r = -0.01. The results of the Mann-Whitney U test are presented in Table 9, and the median results can be found in Appendix 5.

<b>Ranks</b>				
	GenX_Reward_Type	N	Mean Rank	Sum of Ranks
GenX_Rank_Scores	Financial	7	7.43	52.00
	Non-Financial	7	7.57	53.00
	Total	14		

<b>Test Statistics<sup>a</sup></b>	
	GenX_Rank_Scores
Mann-Whitney U	24.000
Wilcoxon W	52.000
Z	-.064
Asymp. Sig. (2-tailed)	.949
Exact Sig. [2*(1-tailed Sig.)]	1.000 <sup>b</sup>

a. Grouping Variable:  
GenX\_Reward\_Type

b. Not corrected for ties.

Table 9 - Results of the Mann-Whitney U Test for Generation-X respondents.

ii. *Financial versus Non-financial Reward Types Across Generation-Y only*

The results from a ranking of financial and non-financial reward types by the respondent who fall into the category of Generation-Y only are presented in Table 10. The first column lists the reward category, the second column lists the reward type, and the final third column lists the overall ranking assigned to each reward type. Lower magnitude scores indicate that reward type as being considered more important in comparison to larger magnitude scores. For example, of all the financial reward types, base pay was still considered to be the most important to Generation-Y, and stock options was the least important. Considering non-financial reward types, flexible working arrangements were perceived to be the most important to Generation-Y, whereas; recognition programs were the least important.

Reward Type	Reward	Ranking
Financial	Base Pay	114
Financial	Bonus	377
Financial	Health Insurance	423
Financial	Pension Contribution	452
Financial	Commission	657
Financial	Tuition reimbursement	677
Financial	Stock options	696
Non-financial	Flexible work arrangements	331
Non-financial	Career development opportunities	365
Non-financial	Culture	424
Non-financial	Manager & Peer Relationships	456
Non-financial	Manager effectiveness/Coaching	508
Non-financial	Challenging work	583
Non-financial	Recognition programs	625

Table 10 - Rank ordering of reward type within financial and non-financial constructs for all Generation-Y Respondents.

A ranking of the reward types across all categories are presented in Table 11. The most important reward type was associated with the financial incentive base pay, and the least important reward type being the financial incentive of stock options. Interestingly, non-financial reward types, for example, flexible working arrangements stayed in second place overall across reward types, however career development was higher than the general ranking of 4th and the generation-X ranking of 6th place in the rankings, in 3rd place in the overall rankings for Generation-Y.

Reward Type	Reward	Ranking
Financial	Base Pay	114
Non-financial	Flexible work arrangements	331
Non-financial	Career development opportunities	365
Financial	Bonus	377
Financial	Health Insurance	423
Non-financial	Culture	424
Financial	Pension Contribution	452
Non-financial	Manager & Peer Relationships	456
Non-financial	Manager effectiveness/Coaching	508
Non-financial	Challenging work	583
Non-financial	Recognition programs	625
Financial	Commission	657
Financial	Tuition reimbursement	677
Financial	Stock options	696

Table 11 - Ranking across both financial and non-financial rewards for Generation-Y respondents.

### Independent Samples T-Tests

To assess if average financial reward ranking, irrespective of individual reward type, was different to average non-financial reward ranking for Generation-Y respondents, an independent samples t-test was undertaken. Due to large differences in financial and non-financial category variances, an independent samples t-test assuming unequal population variances was relied upon. The results of the independent samples t-test indicating that there was no evidence to suggest that average financial reward perception (M = 547, SD = 144.56) was different to average non-financial reward perception (M = 444.5, SD = 92.70),  $t = 1.83$ ,  $df = 9$ ,  $p = 0.177$  for Generation-Y respondents. The results are presented in Table 12.

	<i>Financial Benefits</i>	<i>Non-Financial Benefits</i>
Mean	547	444.5
Variance	20900.4	8593.9
Observations	6	6
Hypothesized Mean Difference	0	
df	9	
t Stat	1.461943013	
P(T<=t) one-tail	0.088888544	
t Critical one-tail	1.833112933	
P(T<=t) two-tail	0.177777089	
t Critical two-tail	2.262157163	

Table 12 - Results of the independent samples t-test for Generation-Y respondents.

### Independent Sample Test (Mann-Whitney U Test)

Due to the small sample size, to assess differences in average ranks in relation to financial reward types compared to non-financial reward types, a Mann-Whitney U test was undertaken. The results of the Mann-Whitney U test revealed that there was no evidence to suggest that average financial reward perception (Md = 452, n=7) is different to average non-financial reward perception (Md = 456, n = 7) amongst Generation-Y participants,  $U = 21.00$ ,  $z = -0.477$ ,  $p = 0.65$ , with a low effect size  $r = -0.11$ . The results of the Mann-Whitney U test are presented in Table 13, and the median results can be found in Appendix 6.

<b>Ranks</b>				
	Reward_Type	N	Mean Rank	Sum of Ranks
Rank_Scores	Financial	7	8.00	56.00
	Non-Financial	7	7.00	49.00
	Total	14		

<b>Test Statistics<sup>a</sup></b>	
	Rank_Scores
Mann-Whitney U	21.000
Wilcoxon W	49.000
Z	-.447
Asymp. Sig. (2-tailed)	.655
Exact Sig. [2*(1-tailed Sig.)]	.710 <sup>b</sup>

a. Grouping Variable: Reward\_Type  
b. Not corrected for ties.

Table 13 - Results of the Mann-Whitney U Test for Generation-Y respondents.

iii. Differences between Generation-X versus Generation-Y on Financial Reward Types

#### Independent Samples T-Tests

To assess if the average financial reward ranking differed between Generation-X and Generation-Y, an independent samples t-test was undertaken on the financial rewards rankings only. Due to large differences in financial category variances between generations, an independent samples t-test assuming unequal population variances was relied upon. The results of the independent samples t-test indicating that there was evidence to suggest that average financial reward perception for Generation-X (M = 280.66, SD = 92.04) was different to average financial reward perception for Generation-Y (M = 547.00, SD = 144.56),  $t = 1.85$ ,  $df = 8$ ,  $p = 0.005$ . The results are presented in Table 14.

<i>Financial Benefits</i>		
Mean	280.666667	547
Variance	8472.26667	20900.4
Observations	6	6
Hypothesized Mean Difference	0	
df	8	
t Stat	-3.80653179	
P(T<=t) one-tail	0.00259409	
t Critical one-tail	1.85954804	
P(T<=t) two-tail	0.00518818	
t Critical two-tail	2.30600414	

Table 14 - Results of the independent samples t-test, testing for differences in average financial reward rankings for Generation-X versus Generation-Y respondents.

### Independent Sample Test (Mann-Whitney U Test)

Due to the small sample size, to assess differences in average ranks in relation to financial reward types amongst Generation-X versus Generation-Y participants, a Mann-Whitney U test was undertaken. The results of the Mann-Whitney U test revealed that there was evidence to suggest that average financial reward perception is different amongst Generation-X participants (Md = 213, n=7) versus Generation-Y participants (Md = 452, n = 7) amongst Generation-Y participants, U = 7.00, z = -2.236, p = 0.025, with a medium effect size  $r = -0.59$ . The results of the Mann-Whitney U test are presented in Table 15, and the median results can be found in Appendix 7.

<b>Ranks</b>				
	Generation_Type	N	Mean Rank	Sum of Ranks
Financial_Rank_Scores	Generation-X	7	5.00	35.00
	Generation-Y	7	10.00	70.00
	Total	14		
<b>Test Statistics<sup>a</sup></b>				
	Financial_Rank_Scores			
Mann-Whitney U		7.000		
Wilcoxon W		35.000		
Z		-2.236		
Asymp. Sig. (2-tailed)		.025		
Exact Sig. [2*(1-tailed Sig.)]		.026 <sup>b</sup>		
a. Grouping Variable: Generation_Type				
b. Not corrected for ties.				

Table 15 - Results of the Mann-Whitney U test,, testing for differences in average financial reward rankings for Generation-X versus Generation-Y respondents.

iv. Differences between Generation-X versus Generation-Y on non-financial reward types:

Independent Samples T-Tests

To assess if the average non-financial reward ranking differed between Generation-X and Generation-Y, an independent samples t-test was undertaken on the non-financial rewards rankings only. Due to large differences in financial category variances between generations, an independent samples t-test assuming unequal population variances was relied upon. The results of the independent samples t-test indicating that there was evidence to suggest that average non-financial reward perception for Generation-X (M = 249.5, SD = 58.90) was different to average financial reward perception for Generation-Y (M = 444.5, SD = 92.70),  $t = 1.85$ ,  $df = 8$ ,  $p = 0.002$ . The results are presented in Table 16.

<i>Non-Financial Benefits</i>		
Mean	249.5	444.5
Variance	3470.3	8593.9
Observations	6	6
Hypothesized Mean Difference	0	
df	8	
t Stat	-4.34871526	
P(T<=t) one-tail	0.00122475	
t Critical one-tail	1.85954804	
P(T<=t) two-tail	0.0024495	
t Critical two-tail	2.30600414	

Table 16 - Results of the independent samples t-test, testing for differences in average non-financial reward rankings for Generation-X versus Generation-Y respondents.

Independent Sample Test (Mann-Whitney U Test)

Due to the small sample size, to assess differences in average ranks in relation to non-financial reward types amongst Generation-X versus Generation-Y participants, a Mann-Whitney U test was undertaken. The results of the Mann-Whitney U test revealed that there was evidence to suggest that average non-financial reward perception is different amongst Generation-X participants (Md = 269, n=7) versus Generation-Y participants (Md = 456, n = 7) amongst Generation-Y participants,  $U = 0.00$ ,  $z = -3.130$ ,  $p = 0.002$ , with a high effect size  $r = -0.83$ . The results of the Mann-Whitney U test are presented in Table 17, and the median results can be found in Appendix 8.

Ranks				
	Generation_Type	N	Mean Rank	Sum of Ranks
NonFinancial_Rank_Scores	Generation-X	7	4.00	28.00
	Generation-Y	7	11.00	77.00
	Total	14		

Test Statistics <sup>a</sup>	
	NonFinancial_Rank_Scores
Mann-Whitney U	.000
Wilcoxon W	28.000
Z	-3.130
Asymp. Sig. (2-tailed)	.002
Exact Sig. [2*(1-tailed Sig.)]	.001 <sup>b</sup>

a. Grouping Variable:  
Generation\_Type

b. Not corrected for ties.

Table 17 - Results of the Mann-Whitney U test, testing for differences in average non-financial reward rankings for Generation-X versus Generation-Y respondents.

The conclusion from this section is that for differing generations of employees in medium and large organisations in Ireland, both financial and non-financial reward hold almost equal importance when considering leaving a current employer and moving to a new employer, as per hypothesis 1. However, the findings agree with Bussin & van Rooy's (2014) study that differing generation's value rewards differently to each other. The findings disagree with Thompson and Brodie (2012) who believe that non-financial reward is key to attracting millennials such as meaning relationships with superiors, feedback, and career development. While career development opportunities ranked 3<sup>rd</sup> of 14 in this study, manager and peer relationships was ranked 8<sup>th</sup> of 14, and feedback (manager effectiveness and coaching) was ranked 9<sup>th</sup> of 14, and therefore would not be considered "key" to attracting and retaining new talent. Base pay and flexible work arrangements ranked 1<sup>st</sup> and 2<sup>nd</sup> respectively, and therefore agree with Locke *et al.* (1980) that base pay is fundamentally important, and Thompson and Brodie's (2012) that casual work arrangements are important to millennials. In conclusion, the findings agree with Brown (2014) that rewards and benefits must be flexible and consider differing generational preferences.

#### 4.2.3. Hypothesis 3: Differing genders value financial and non-financial rewards differently

This section was to test the findings of Pregoloto, Bussin, and Schlechter (2017) that women value non-financial rewards more than financial rewards.



The set of results are associated with the ranking of reward types within male respondents, followed by the ranking of reward type importance within female respondents. The rationale behind dividing the data into their relative genders is to understand the differences between the preferences for financial reward versus non-financial reward of both males and females respectively.

The results of an analysis of the differences in attractiveness of financial rewards and separately non-financial rewards is presented. A side-by-side comparison of both male (Table 18) and female (Table 19) employee’s preferences when considering working for a new employer is made to demonstrate the ranking order differences between both cohorts, and then a T-Test is carried out to compare the differences in preference.

Males		
Reward Type	Reward	Ranking
Financial	Base Pay	67
Financial	Bonus	200
Financial	Health Insurance	241
Financial	Pension Contribution	266
Financial	Commission	352
Financial	Stock options	378
Financial	Tuition reimbursement	379
Non-financial	Flexible work arrangements	200
Non-financial	Career development opportunities	213
Non-financial	Culture	262
Non-financial	Manager & Peer Relationships	266
Non-financial	Manager effectiveness/Coaching	296
Non-financial	Challenging work	319
Non-financial	Recognition programs	365

Table 18 - Rank ordering of reward type within financial and non-financial constructs for all male respondents.

Females		
Reward Type	Reward	Ranking
Financial	Base Pay	109
Financial	Bonus	376
Financial	Health Insurance	382
Financial	Pension Contribution	407
Financial	Tuition reimbursement	657
Financial	Commission	669
Financial	Stock options	722
Non-financial	Flexible work arrangements	287
Non-financial	Career development opportunities	372
Non-financial	Culture	436
Non-financial	Manager & Peer Relationships	455
Non-financial	Manager effectiveness/Coaching	513
Non-financial	Challenging work	569
Non-financial	Recognition programs	579

Table 19 - Rank ordering of reward type within financial and non-financial constructs for all female respondents.

i. Differences between males versus females on financial reward types

#### Independent Samples T-Tests

To assess if the average financial reward ranking differed between males and females, an independent samples t-test was undertaken on the financial rewards rankings only. Due to large differences in financial category variances between genders, an independent samples t-test assuming unequal population variances was relied upon. The results of the independent samples t-test indicating that there was evidence to suggest that average financial reward perception for males (M = 269.00, SD = 113.45) was different to average financial reward perception for females (M = 474.57, SD = 219.39),  $t = 1.83$ ,  $df = 9$ ,  $p = 0.05$ . The results are presented in Table 20.

Preference for Financial Rewards		
	Males	Females
Mean	269	474.5714
Variance	12871.33333	48132.95
Observations	7	7
Hypothesized Mean	0	
df	9	
t Stat	-2.202072436	
P(T<=t) one-tail	0.027576925	
t Critical one-tail	1.833112933	
P(T<=t) two-tail	0.055153849	
t Critical two-tail	2.262157163	

Table 20 - Results of the independent samples t-test, testing for differences in average financial reward rankings for male versus female respondents.

ii. Differences between males versus females on non-financial reward types

Independent Samples T-Tests

To assess if the average non-financial reward ranking differed between males and females, an independent samples t-test was undertaken on the non-financial rewards rankings only. Due to large differences in financial category variances between genders, an independent samples t-test assuming unequal population variances was relied upon. The results of the independent samples t-test indicating that there was evidence to suggest that average non-financial reward perception for males (M = 274.42, SD = 58.01) was different to average non-financial reward perception for females (M = 458.71, SD = 105.76),  $t = 1.83$ ,  $df = 9$ ,  $p = 0.002$ . The results are presented in Table 21.

Preference for Non-Financial Rewards		
	<i>Males</i>	<i>Females</i>
Mean	274.4285714	458.7143
Variance	3365.619048	11185.57
Observations	7	7
Hypothesized Mean	0	
df	9	
t Stat	-4.041954566	
P(T<=t) one-tail	0.001460004	
t Critical one-tail	1.833112933	
P(T<=t) two-tail	0.002920009	
t Critical two-tail	2.262157163	

Table 21 - Results of the independent samples t-test, testing for differences in average non-financial reward rankings for male versus female respondents.

The conclusion from this section is that for differing genders in medium and large organisations in Ireland, both financial and non-financial reward hold almost equal importance when considering leaving a current employer and moving to a new employer, as per hypothesis 1 and 2. This differs from the findings of Pregolato, Bussin, and Schlechter (2017) who found that in non-financial rewards were preferable in a study of females in South Africa, and Browne (1997) who found that men and women did not differ in their preferences for specifically financial rewards. The study agrees with Chow and Ngo’s (2002) findings that there are similarities in importance of financial and non-financial reward for male and female employees, and Wright (2004) that work-life balance is important to females in the workplace, as it was ranked second overall across both financial and non-financial constructs, and first place in the non-financial rewards. Fundamentally, the findings coordinate with Sicherman (1993) that women are attracted to better compensation opportunities, as base pay ranked first place overall, and therefore organisations who have higher gender-pay gaps should be cognisant that non-financial rewards do not bolster gender-pay inequity.

### 4.3. Frequencies – Likert Scale Questions

#### 4.3.1. Sub-Question 1: Service based reward increments are declining in attractiveness when considering working for a medium to large company in Ireland

The purpose of this set of 3 questions was to understand the popularity of benefits which increase in value based on time served in the organisation. This section tests the findings of Bussin & van Rooy, (2014), who state that service-based reward is no longer considered attractive, and to loosely test Cosier and Dalton’s (1983) finding that time-lag in receiving benefits can negatively impact job satisfaction.

*Question 1: “The prospect of annual performance-related pay increases attracts me when considering working for a new company”.*

The findings of this question were that 85% of employees either agreed or strongly agreed, 3% disagreed, and 12% neither agreed nor disagreed with this statement. This indicates that for the 100 valid participants, the large majority of those surveyed agreed that they are attracted to organisations who pay performance based increases each year. While rigorous testing beyond frequency reporting would be required, these findings indicate a strong disagreement with Bussin & van Rooy, (2014), who state that service-based reward is no longer considered an attractive prospect to employees.

#### **Performance pay attractor**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	41	40.2	41.4	41.4
	Agree	43	42.2	43.4	84.8
	Neither Agree Nor Disagree	12	11.8	12.1	97.0
	Disagree	3	2.9	3.0	100.0
	Total	99	97.1	100.0	
Missing	System	3	2.9		
Total		102	100.0		

*Table 22 - Frequency results for “The prospect of annual performance-related pay increases attracts me when considering working for a new company”.*

*Question 2: “The prospect of annual performance-related pay increases entices me to stay with my current company”.*

The findings of this question were that 39% of employees either agreed or strongly agreed, 30% disagreed or strongly disagreed, and 31% neither agreed nor disagreed with this statement. This indicates that for the 100 valid participants, while most agreed or strongly agreed with the statement, a large portion of respondents are not enticed to stay with their organisation based on the performance-based pay increased received to date, and another

large proportion were indifferent to staying with their current employer based on their performance related pay.

It is interesting that performance related pay is clearly an attractor to other organisations (question 1), however it is not considered a strong retaining element in the participants' current organisations (question 2). While it is important that employers entice candidates with competitive pay and merit increases, the findings of this section could raise a question that if merit does not retain employees, then why would employers offer merit? The fact is that merit is still attracts employees, and perhaps merit in one's own organisation could bridge the gap between the current and the new organisation, making it worthwhile for an employee to stay with the current organisation based on salary alone.

### Performance pay retainer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	9	8.8	9.0	9.0
	Agree	30	29.4	30.0	39.0
	Neither Agree Nor Disagree	31	30.4	31.0	70.0
	Disagree	23	22.5	23.0	93.0
	Strongly Disagree	7	6.9	7.0	100.0
	Total	100	98.0	100.0	
Missing	System	2	2.0		
Total		102	100.0		

Table 23 - Frequency results for "The prospect of annual performance-related pay increases entices me to stay with my current company".

Question 3: "I am happy with the prospect of having to serve a number of years of continuous employment with the organisation before I am eligible for certain benefits (e.g., healthcare insurance, pension contribution, enhanced maternity/paternity salary top-up etc.)".

The findings of this question were that 28% of employees either agreed or strongly agreed, 66% disagreed or strongly disagreed, and 7% neither agreed nor disagreed with this statement. This indicates that for the 100 valid participants, a very large proportion of respondents would be unhappy with the prospect of having to serve a certain amount of time as an employee before being eligible for certain benefits. This is interesting as some organisations in Ireland enforce a standard rule of requiring employees to pass probation before being entitled to join the company pension scheme, or serve time before being entitled to a top up on maternity/paternity pay. Employers should therefore consider the trade-off between risk and immediate access to benefits. For employers whose benefits lag, they may be at greater risk of having a less attractive benefits portfolio which may affect their attraction and retention of top talent.

### Serve years benefit increases attractor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	8	7.8	7.8	7.8
	Agree	20	19.6	19.6	27.5
	Neither Agree Nor Disagree	7	6.9	6.9	34.3
	Disagree	36	35.3	35.3	69.6
	Strongly Disagree	31	30.4	30.4	100.0
	Total	102	100.0	100.0	

Table 24 - Frequency results for " I am happy with the prospect of having to serve a number of years of continuous employment with the organisation before I am eligible for certain benefits".

#### 4.3.2. Sub-Question 2: Employees in medium to large organisations in Ireland do not feel that the majority of Total Rewards benefits them personally

This section aims to understand employee perception of fairness in total rewards in medium to large organisations in Ireland. This set of questions are to test Bussin & van Rooy's (2014) findings that most employees do not feel that they personally benefit from the range of rewards in their organisations. This section also tests Singh and Mishra's (2013) finding that most employees feel that benefits are not distributed in a fair manner. Finally, the perception of pay fairness in the internal market and the external market is presented.

*Question 1: "I personally benefit from the range of benefits available in my organisation".*

The findings of this question were that 64% of employees either agreed or strongly agreed, 26% either disagreed or strongly disagreed, and 10% neither agreed nor disagreed with this statement. This indicates that for the 100 valid participants, the majority of those surveyed agreed that they personally benefit from the range of benefits in their organisation. This disagrees with Bussin & van Rooy's (2014) findings that most employees do not feel that they personally benefit from the range of rewards in their organisations.

### Personally benefit benefits

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	16	15.7	16.0	16.0
	Agree	48	47.1	48.0	64.0
	Neither Agree Nor Disagree	10	9.8	10.0	74.0
	Disagree	20	19.6	20.0	94.0
	Strongly Disagree	6	5.9	6.0	100.0
	Total	100	98.0	100.0	
Missing	System	2	2.0		
Total		102	100.0		

Table 25 - Frequency results for "I personally benefit from the range of benefits available in my organisation".

**Question 2: "The benefits in my organisation are available to all levels of employees".**

The findings of this question were that 47% of the participants either agreed or strongly agreed, 44% disagreed or strongly disagreed, and 9% of respondents neither agreed nor disagreed with this statement. This indicates that while most of the 100 valid participants felt they personally benefited from the range of benefits in their organisation, almost half of the participants were aware that not all employees in their organisations enjoy the same privilege as themselves. This correlates to Singh and Mishra's (2013) findings that many employer's reward systems are regarded as not being transparent or fair.

### Benefits available to all

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	8	7.8	8.0	8.0
	Agree	39	38.2	39.0	47.0
	Neither Agree Nor Disagree	9	8.8	9.0	56.0
	Disagree	31	30.4	31.0	87.0
	Strongly Disagree	13	12.7	13.0	100.0
	Total	100	98.0	100.0	
Missing	System	2	2.0		
Total		102	100.0		

Table 26 - Frequency results for "The benefits in my organisation are available to all levels of employees".

**Question 3: "I feel I am paid fairly compared to other people performing similar jobs in my company".**

The findings of this question were that 59% of the participants either agreed or strongly agreed with this statement, 26% either disagreed or strongly disagreed, and 15% neither

agreed nor disagreed with this statement. Bhattacharyya, *et al.*, (2020) states that employees expect to be paid fairly, and the findings of this study indicates that the majority of those surveyed felt their base pay was fair in line with their peers in their organisation.

### Paid fairly internally

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	10	9.8	10.0	10.0
	Agree	49	48.0	49.0	59.0
	Neither Agree Nor Disagree	15	14.7	15.0	74.0
	Disagree	20	19.6	20.0	94.0
	Strongly Disagree	6	5.9	6.0	100.0
	Total	100	98.0	100.0	
Missing	System	2	2.0		
Total		102	100.0		

Table 27 - Frequency results for "I feel I am paid fairly compared to other people performing similar jobs in my company".

**Question 4: "I feel I am paid fairly compared to other people performing similar jobs in other companies".**

The findings of this question were that 52% of respondents either agreed or strongly agreed, 32% either disagreed or strongly disagreed, and 16% neither agreed nor disagreed with this statement. This indicates that for the 100 valid participants, the majority of those surveyed felt their base pay was fair in line with their peers in other organisations, however there was an increase of 6% of respondents who felt that they were paid less fairly externally than internally. To repeat Bhattacharyya, *et al.*'s (2020) findings, employees expect to be paid fairly, and perhaps if employees feel their organisation is not paying them fairly based on the external market conditions, this could possibly lead to negative thoughts and attrition over time.



### Paid fairly externally

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	10	9.8	10.0	10.0
	Agree	42	41.2	42.0	52.0
	Neither Agree Nor Disagree	16	15.7	16.0	68.0
	Disagree	24	23.5	24.0	92.0
	Strongly Disagree	8	7.8	8.0	100.0
	Total	100	98.0	100.0	
Missing	System	2	2.0		
Total		102	100.0		

Table 28 - Frequency results for "I feel I am paid fairly compared to other people performing similar jobs in other companies".

**Question 5: "The range of benefits in my company are as good as, or better than those offered by other companies.".**

The findings of this question were that 44% of respondents either agreed or strongly agreed, 43% either disagreed or strongly disagreed, and 14% neither agreed nor disagreed with this statement. This indicates that for the 100 valid participants, the results were almost half agreeing with this statement, and almost half disagreeing with this statement. Similar to question 4 with this question focusing on benefits, where employees feel other organisations are better positioned to meet their needs, this could potentially lead to unwanted turnover.

### Benefits as good externally

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	12	11.8	12.0	12.0
	Agree	32	31.4	32.0	44.0
	Neither Agree Nor Disagree	13	12.7	13.0	57.0
	Disagree	30	29.4	30.0	87.0
	Strongly Disagree	13	12.7	13.0	100.0
	Total	100	98.0	100.0	
Missing	System	2	2.0		
Total		102	100.0		

Table 29 - Frequency results for "The range of benefits in my company are as good as, or better than those offered by other companies".

## 5. Conclusion and Recommendation

### 5.1. Conclusions

The main conclusion from the data is that for employees in medium and large organisations in Ireland, both financial and non-financial reward hold almost equal importance when considering leaving a current employer and moving to a new employer. These findings are irrespective of generational cohort or gender. There are differences between generations and genders on the preference order of importance for reward types, however overall, there is no statistical difference in the importance of financial over non-financial reward, and therefore medium and large organisation in Ireland should be wary of supplementing lower pay and a lack of financial benefits with non-financial benefits if it wishes to attract and retain top talent.

This study agrees with Haider *et al.*, (2015) that firstly basic financial pay is the most important organisational attractor, and with Brown (2014) that diverse workforces require a blended approach to total rewards due to the high attraction values placed on many of the reward types. Specifically relating to generational differences, this study agrees with Bussin & van Rooy's (2014) study that differing generation's value rewards differently to each other. For millennials, this study agrees with Thompson and Brodie (2012) that flexible work arrangements and career development opportunities are important considerations for employers when managing millennials. Pay for performance and merit is still considered a popular reward to reinforce reward based on desirable behaviours and outcomes, and therefore agrees with Mujtaba & Shuaib (2010), Helm *et al.*, (2007), and Singh & Mishra (2013).

The findings of this study dispute the findings of Amundson (2007), Sonawane (2008) and Kang *et al.*, (2018) which found that non-financial rewards such as relationships and recognition were more important than financial rewards. The results from this study also refute the ideas of Mujtaba & Shuaib (2010) that public recognition is vitally important in the employment relationship, as recognition programmes scored 10th of 14 rewards on the preference scale. Perhaps the high cost of living in Ireland means that financial security is generally more important than being publicly recognised in the organisation. Alternatively, perhaps the participants believe that "money talks" in terms of recognition.

In terms of ranking order rather than weighted importance, there is evidence to suggest that employees working for medium and large organisations in Ireland are more attracted to financial reward categories, as financial rewards held three of the top 5 reward types overall (base pay, bonus, health insurance). Base pay ranked significantly higher than the second-place reward (flexible work arrangements), however when base pay is removed from the selection, 3 of the top 5 rewards remain as financial rewards (bonus, health insurance, pension).

It is important in the conversation of female diversity that companies do not underestimate female ambition, needs and contribution. Similar to Browne's (1997) study, the female participants in this study were found not to value financial reward and non-financial reward differently and therefore agrees with Krishnan (2009) and Sicherman (1993) that women are just as likely as men to seek employment elsewhere if their needs are not being met by the organisation. Females also do not differ in relation to their preference for career development before other financial and non-financial rewards, as both males and females ranked this as the second most important non-financial reward, thereby disagreeing with Pregolato et al., (2017) that females value career development more than males. For the female participants of this study, base pay and flexible work arrangements were the most important benefits an organisation can offer them.

This study found that the vast majority of participants were attracted to contingency pay systems in other companies, however it was not a strong retaining consideration in their current companies. Perhaps the participants viewed the performance increases as meagre compared to other companies, as the majority of participants felt that while they were paid fairly compared to their peers within their own organisations, 50% of the respondents felt they were not paid fairly compared to other organisations, thereby agreeing with Singh and Mishra (2013) who state that not all organisation's reward strategies are transparent or perceived as fair.

Overall, these findings align with many of the studies highlighted, however with one important difference, that employees in medium and large organisations in Ireland value financial and non-financial reward equally.

## 5.2. Recommendations

Strong reward systems can assist organisations to achieve their business goals and objectives, however employee buy-in is dependent on the value and benefit the employee perceives to gain from their efforts. This means that total rewards need to reflect the diverse population of employees. As employees of medium and large organisations in Ireland value financial and non-financial rewards and benefits equally, rewards and benefits need be blended between core and optional categories, as recommended by Brown (2014).

For all cohorts, the greatest workplace attractor is base pay, with contingency pay (merit increases) retaining popularity. Organisations should therefore give thought to its base pay strategy. Many organisations benchmark roles, pay, grades and pay scales based on market value through organisations such as Willis Towers Watson, however with the growth in high value organisations setting up in Ireland, we see some organisations (Google, Salesforce, Facebook, LinkedIn) paying above-market base pay (efficiency wages) to ensure they attract and retain top talent. While many medium and large organisations may operate in different industries, top talent, especially those in support services (IT, HR, Finance etc.) are likely to look to organisations that pay the most, irrespective of industry. Organisations should therefore consider above-market pay, along with contingency pay to mitigate the risk of top-

talent turnover. For organisations not in a position to embark on an efficiency wage strategy, the minimum focus regarding pay should be to become a “Living Wage Employer” thereby guaranteeing a wage that will afford its employees a basic but acceptable standard of living.

While pay was the main overall employee attractor, it is important to note the importance of non-financial rewards. Non-financial rewards can build the performance culture in the organisation, which can assist the organisation to surpass long-term organisational goals.

As Generation-X employees approach the end of their careers and move into retirement, employers should consider flexible financial rewards which assist Generation-X employees to increase their savings, pensions, and options/levels of health insurance to assist this cohort to become more financially secure in their retirement. For Generation-Y, these employees are financially motivated, but also see the connection between increasing their career development and relationships, which ultimately can lead to increased financial benefits. Managing millennials involves a hands-on approach to development through meaningful feedback, but a hands-off approach to micro-management.

Males and female findings were similar to that of differing generations, whereby both generations value financial and non-financial reward equally, but the rankings of each reward construct was found to be valued differently between the genders. As employers typically manage a range of three generational cohorts and various genders at any time, it would be wise to introduce flexible financial benefits so each generation and gender can opt-in to the benefits they value the most. Some recommendations would be to offer enhanced terms such as pay top up for various types of absence such as illness, maternity and paternity leave to reassure older workers and various genders that the organisation will support them through life changes; and flexible working both in terms of hours and location to suit those with families, illness, or simply wanderlust.

Possibly heightened due to the Covid-19 pandemic, all cohorts found flexible work arrangements to be of great importance, and seemingly it may be difficult for organisations to find a way back to in-office only work arrangements given the importance placed on this non-financial benefit. Employers must be cognisant that employees want to feel that they are trusted, valued, rewarded fairly and transparently, and given autonomy and freedom to choose the work arrangements that suit them. In an ever-increasing digital world, employers must act fast to enable this in the long-term, or risk losing top talent to the competition who are willing and able to meet the employee’s needs and desires.

The first step for organisations wishing to understand the value and perception their employees place on the present reward structure, is to conduct an annual employee voice survey. This will assist the organisation to understand if the reward system is meeting employee needs and expectations, or if it is part of the issue leading to employee turnover. Organisations should also consider a more transparent and marketable approach to their reward systems, and possibly highlight where they sit relative to their competitors in the market in terms of what benefits are offered. This would assist employees to understand that

while it may seem that competitors are doing more for their employees, this may not always be the case, thereby reducing the perception that they are not paid equitably. Equally, the organisation needs to ensure that the rewards system is equitable but fair, unbiased, timely, and transparent to assist in avoiding scepticism and dissatisfaction. Organisations in Ireland should strive to be transparent by reporting their gender pay gap, and identifying why this exists and can the organisation do more to support both female and male employees to be treated equally.

While there is much for the HR and Benefits practitioner to be cognisant of when developing a reward strategy, overall the HR and Benefits practitioner should strive to align and integrate the reward strategy with their organisation's business strategy. If the business is striving for low cost and low-quality products or services, the reward strategy should reflect high productivity over high quality output. However, where the organisation strives for high quality and high growth, then it should ensure its reward strategy reflects this through generous benefits and rewards.

## 6. CIPD Requirements Section

### 6.1. Recommendation for Future Research

The purpose of this study was to research which rewards and benefits increased organisational attraction and decreased organisational attrition the most. Through an understanding of what employees want, rather than what employees feel is offered, this research identified that pay and flexibility are the most important financial and non-financial rewards across all cohorts examined.

While quantitative research is a skill, it is recognised that quantitative research does not explore the reasoning and experiences behind respondents' answers. There were some interesting areas that were touched on in the frequencies questions, which, despite not being part of the main research question, gave a limited insight into areas that would be interesting to explore further:

The question based on Bussin & van Rooy, (2014), who state that service-based reward is no longer considered attractive was broken down into three areas; service increments when moving to a new company, service increments as a retaining factor, and service time completed for eligibility for benefits. It would be interesting to explore these avenues in greater detail through qualitative research to understand why service increments are considered attractive to employees moving to a new company, but they do not necessarily assist the organisation to retain employees.

For many of the respondents, they felt their pay and benefits were good, however despite this, they felt that not everyone in their organisations were entitled to the same level of benefits. Perhaps a study focusing on grades of employees would give a deeper insight into what rewards and benefits employees at differing organisational and career levels are attracted to, and ascertaining the perception of equity among this specific cohort. Alternatively, focusing the same study on a particular company or industry could perhaps narrow down the research findings and perhaps find differences in the attractiveness ranking of rewards.

### 6.2. Costings

This study found that for mixed cohorts of employees, the third and fourth most attractive financial benefits were health insurance and pension contribution.

In my experience of working in a payroll department, I have learned that even when employer-funded healthcare is being offered to employees, not all employees enrol for reasons such as: benefit in kind tax implications or having an existing policy in place with better/more suitable cover for their needs. For this reason, I have estimated 550 out of 750 employees enrolling in the healthcare scheme. The scheme is based on the VHI group scheme policy "1661" at a cost of €35.40 per employee per month.

Regarding pensions, very often with diverse nationality mixes and larger numbers of younger employees, enrolment to pension schemes is low. This is because international employees often aspire to retire in their home countries and would rather save their money than put it into a pension fund. Many younger workers simply do not think as far in advance as retirement. For this reason, the estimated enrolment is 200 employees on average.

As healthcare is likely to benefit more employees and can be benefitted from in the short-term, it is given priority, with a timescale of 6 months to research policies, agree terms with the supplier, plan, roll out and enrol employees. Pension enrolment would require a similar plan and can run alongside the roll out of the healthcare plan. With less employees likely to enrol, it is given a total roll out timeframe of 4 months. The indicative costs per year of offering a company healthcare policy and pension contribution can be found in Table 30 below.

New Company Initiative	Current Monthly Payroll	Estimated Enrolment Uptake	Cost Per Employee per Month	Total Monthly Cost to Organisation	Total Cost
Health Insurance	n/a	550	€35.40	(550 * 35.40) €19,470.00	€233,640.00
Pension Contribution	(€2m/750*200=€533,333.33). Proposed 5% matched employer contribution.	200	€133.33	€26,666.66	€319,999.99
Total estimated annual cost of implementing a VHI company group scheme plan, and a 5% employer's contribution to pension savings.					€553,639.99

Table 30 - Indicative Costs in a company of 750 employees.

### 6.3. Personal Learning Statement

Despite working in HR and payroll, I had no formal experience or education in strategic compensation and benefits. Undertaking this topic was completely new to me, but I found it to be extremely interesting as a concept as it is the very fundamental exchange in the employment relationship, and it underpins absolutely everything else in the psychological contract. I am glad I chose a topic which was interesting to me and something I felt could guide almost every decision I would make as a HR practitioner. This dissertation has been my biggest academic challenge, having never completed one in my degree. I learned to research, evaluate, and critically analyse information presented, and I also learned a lot regarding various methodologies of research. These are skills I will be able to bring to my workplace and I am grateful for the opportunity to develop my skills.

On a personal level, 2020 and 2021 were very challenging years for many reasons. Covid-19 impacted every facet of life and meant that everybody had to re-learn how to live life

overnight. As a dyslexic student who heavily relied on in-college supports and tools, Covid-19's impact was a devastating blow as it meant no longer having the support of physical library facilities, access to physical materials, and a quiet place to concentrate. This fear was compounded by the ransomware attack which led to the systems being unusable for the last 5 weeks of term. Completing a master's with no access to any online books, limited access to journals, and no way of visiting a local library was something I never imagined I would need to contend with when I signed up for this programme in June 2019. No matter how lost I felt or that I was not able for online learning and studying, I knew that for others the impact of Covid-19 was far worse, and for that reason I had little to complain about. I struggled through the year, but I got to the end. Despite losing my most-loved job to Covid-19 at the same time, I have no doubt that the learning from this programme of study enabled me to walk into another job with one of the most well-known companies in the world; something I could have only dreamt of a few short years ago.

So, I take from my time these few things:

1. Continuously set challenges and goals for yourself, because if you don't, you will never know what you could have achieved.
2. Don't be so hard on yourself; take your inner critic with a pinch of salt.
3. Take the positives from everything, because every experience is an education in itself.

Most importantly, in 2020 and 2021 I learned that *I can*.



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## 8. Appendices

Appendix 1: Scale validity for total rewards questions

<b>Reliability</b>			
<b>Scale: ALL VARIABLES</b>			
<b>Case Processing Summary</b>			
		N	%
Cases	Valid	100	98.0
	Excluded <sup>a</sup>	2	2.0
	Total	102	100.0

a. Listwise deletion based on all variables in the procedure.

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.825	5

## Appendix 2: Total Rewards Survey

### Total Rewards Survey

1. **What gender do you identify as?**
  - Male
  - Female
2. **What age are you?**
  - 18 – 24
  - 25 – 40
  - 41 – 56
  - 57 +
3. **What size organisation do you work for?**
  - 1 – 9 employees
  - 10 – 49 employees
  - 50 - 249 employees
  - 250 + employees
4. **Is your organisation a:**
  - Mainly or wholly Irish-owned organisation
  - Separate division/operation of mainly or wholly Irish-owned organisation
  - Irish division of an internationally owned organisation
  - Other: Please state
5. **Please rate the following benefits in order of importance to you, when considering working for a new company (1 being the most important, and 20 being the least important)**
  - Base Pay
  - Bonus
  - Commission
  - Stock options
  - Health Insurance
  - Tuition reimbursement
  - Pension Contribution
  - Recognition programs
  - Career development opportunities
  - Manager effectiveness/Coaching
  - Flexible work arrangements
  - Challenging work
  - Culture
  - Manager & Peer Relationships

Please rate your agreement or disagreement with the following statements, when considering a job offer from a new employer:

6. **The prospect of annual performance-related pay increases are attractive to me.**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
7. **I am happy with the prospect of having to serve a number of years of continuous employment with the organisation before I am eligible for certain benefits (e.g., healthcare insurance, pension contribution, enhanced maternity/paternity salary top-up etc.).**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree

Please rate your agreement or disagreement with the following statements:

8. **At my work, I feel bursting with energy.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
9. **I am enthusiastic about my job.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
10. **My job inspires me.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
11. **When I get up in the morning, I feel like going to work.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
12. **I feel happy when I am working.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
13. **I am proud of the work I do.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
14. **I am immersed in my work.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
15. **I get carried away when I am working.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]

Please rate your agreement or disagreement with the following statements in relation to your current or recent employer:

16. **I personally benefit from the range of benefits on offer with my current organisation**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
17. **The range of benefits in my current organisation are available to all levels of employees.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
18. **Sense of personal fulfilment and achievement motivates me in my current role more than money.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
19. **Sense of personal fulfilment and achievement motivates me in my current role more than public recognition.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
20. **My company takes a genuine interest in my well-being.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]
21. **My manager cares about me as a person.**  
Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]



22. **My manager clearly communicates what is expected of me.**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
23. **My manager is accessible to me when needed.**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
24. **My manager gives me regular feedback on my performance.**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
25. **I value the recognition I receive when I do a good job.**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
26. **Autonomy is more important to me than compensation (e.g: salary, overtime)**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
27. **Autonomy is more important to me than financial rewards (e.g.: bonus, commission, stock options etc.)**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
28. **Autonomy is more important to me than paid benefits (e.g.: healthcare insurance, pension contribution, etc.)**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
29. **Long term career development opportunities are more important to me than other financial and non-financial benefits**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree

Please rate your agreement or disagreement with the following statements, in relation to your **current or recent employer**:

30. **Please rate your likeliness to stay with my current employer in the next 12 months. (If you are at risk of redundancy, please state what your likeliness to stay with your current employer would have been, if you were not at risk of redundancy)**  
Very Likely  Likely  Neither Likely Nor Unlikely  Unlikely  Very Unlikely
31. **I feel I am paid fairly compared to other people performing similar jobs in my company.**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
32. **I feel I am paid fairly compared to other people performing similar jobs in other companies.**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
33. **The range of benefits in my company are as good as, or better than those offered by other companies.**  
Strongly Agree  Agree  Neither Agree Nor Disagree  Disagree  Strongly Disagree
34. **The prospect of annual performance-related pay increases entices me to stay with my current company.**

Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]

**35. My current salary entices me to stay with my current company**

Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]

**36. My benefit package entices me to stay with my current company**

Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]

**37. The raises I have received to date in my current company entices me to stay**

Strongly Agree [ ] Agree [ ] Neither Agree Nor Disagree [ ] Disagree [ ] Strongly Disagree [ ]

## Appendix 3: Total Rewards Survey Welcome Page

### Total Rewards Survey

#### Welcome to my survey!

Thank you for volunteering to take part in this research study. My name is Danielle Cafolla and I am a final year student on the MA in Human Resource Management programme in National College of Ireland.

This research survey is focused on employees' perceptions of rewards and benefits in Ireland. Specifically, the research looks to discover the impact of rewards on three main areas; employees' attraction to an organisation, employee engagement, and desire to stay with an organisation.

Rewards can be both financial and non-financial, eg: salary, bonus, recognition, career and personal development, relationship with managers, autonomy etc.

Before you start, please be aware that this survey is completely anonymous, so any answers given will not be traced back to any one individual. You will also not be asked to disclose your employer name at any point. At any time during the survey you may opt-out of the survey process, and any incomplete surveys will not be used in the findings of the study. All information gathered in the survey will be securely stored by the researcher. By completing the survey, you consent to your anonymous answers being used as part of this research.

The survey consists of 34 questions broken out into 5 parts and takes approximately 10 minutes to complete.

If you have any questions please do not hesitate to contact me at [x19138695@student.ncirl.ie](mailto:x19138695@student.ncirl.ie)

Appendix 4: Mann Whitney U Test Median Score, testing for differences in average financial and average non-financial reward rankings for all respondents.

<b>Case Processing Summary</b>						
	Included		Cases Excluded		Total	
	N	Percent	N	Percent	N	Percent
Rank_Scores * Reward_Type	14	13.7%	88	86.3%	102	100.0%

<b>Report</b>	
Median	
Reward_Type	Rank_Scores
Financial Reward	673.0000
Non-Financial Reward	721.0000
Total	709.5000

Appendix 5: Mann Whitney U Test Median Score, testing for differences in average financial and average non-financial reward rankings for Generation-X respondents.

<b>Case Processing Summary</b>						
	Included		Cases Excluded		Total	
	N	Percent	N	Percent	N	Percent
GenX_Rank_Scores * GenX_Reward_Type	14	13.7%	88	86.3%	102	100.0%

<b>Report</b>	
Median	
GenX_Reward_Type	GenX_Rank_Scores
Financial	213.0000
Non-Financial	269.0000
Total	266.0000

Appendix 6: Mann Whitney U Test Median Score, testing for differences in average financial and average non-financial reward rankings for Generation-Y respondents.

<b>Case Processing Summary</b>						
	Included		Cases Excluded		Total	
	N	Percent	N	Percent	N	Percent
	Rank_Scores * Reward_Type	14	13.7%	88	86.3%	102

<b>Report</b>	
Median	
Reward_Type	Rank_Scores
Financial	452.0000
Non-Financial	456.0000
Total	454.0000

Appendix 7: Mann Whitney U Test Median Score, testing for differences in average financial reward rankings for Generation-X & Y respondents.

<b>Case Processing Summary</b>						
	Included		Cases Excluded		Total	
	N	Percent	N	Percent	N	Percent
	Financial_Rank_Scores * Generation_Type	14	13.7%	88	86.3%	102

<b>Report</b>	
Median	
Generation_Type	Financial_Rank_Scores
Generation-X	213.0000
Generation-Y	452.0000
Total	363.5000

Appendix 8: Mann Whitney U Test Median Score, testing for differences in average non-financial reward rankings for Generation-X & Y respondents.

<b>Case Processing Summary</b>						
	Included		Cases Excluded		Total	
	N	Percent	N	Percent	N	Percent
NonFinancial_Rank_Scores * Generation_Type	14	13.7%	88	86.3%	102	100.0%

<b>Report</b>	
Median	
Generation_Type	NonFinancial_Rank_Scores
Generation-X	269.0000
Generation-Y	456.0000
Total	319.0000