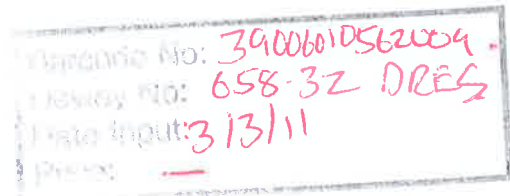




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**An Investigation in to Alternative Rewards. Are they recognised by
employees as a reward and if so do employees value them?**

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DECLARATION

I hereby certify that this material, which I now submit for assessment of the programme of study leading to the award BA (Hons) in Human Resource Management is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

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Introduction.....	3
Literature Review	6
<i>Classic Labour Market Theory.....</i>	<i>6</i>
<i>Human Capital Theory</i>	<i>8</i>
<i>Efficiency Wage Theory.....</i>	<i>8</i>
<i>Equity</i>	<i>8</i>
<i>Motivation</i>	<i>10</i>
Does Money Motivate?.....	10
Expectancy Theory	11
Operant Conditioning	11
Self Determination Theory	12
Job Enrichment	13
Recognition.....	13
Obligation.....	14
<i>Alternative Reward Strategies</i>	<i>15</i>
Flexible Benefits	15
Performance Based Rewards	16
Total Reward	17
<i>Communication.....</i>	<i>18</i>
<i>Theoretical Framework.....</i>	<i>19</i>
<i>Research Question.....</i>	<i>20</i>
Methodology	21
<i>Deductive or Inductive Approach.....</i>	<i>21</i>
<i>Methodology Stance</i>	<i>21</i>
<i>Qualitative or Quantitative Research.....</i>	<i>22</i>
<i>Questions.....</i>	<i>23</i>
<i>Focus Groups</i>	<i>23</i>
<i>Selection of respondents</i>	<i>24</i>
<i>Interviews</i>	<i>25</i>
<i>Primary and Secondary Data.....</i>	<i>26</i>
<i>Analysis of Primary Data.....</i>	<i>26</i>
<i>Research Ethics</i>	<i>27</i>
<i>Limitations of the Research Design.....</i>	<i>27</i>
Analysis	29
<i>SIG Ireland.....</i>	<i>29</i>
<i>Interviewees.....</i>	<i>29</i>
<i>Reward.....</i>	<i>29</i>
<i>Equity</i>	<i>32</i>
<i>Motivation</i>	<i>34</i>
<i>Communication.....</i>	<i>38</i>

Findings.....	40
<i>Reward.....</i>	<i>40</i>
<i>Equity</i>	<i>40</i>
<i>Motivation</i>	<i>41</i>
<i>Recognition.....</i>	<i>42</i>
<i>Communication.....</i>	<i>42</i>
Bibliography	47
<i>Surveys.....</i>	<i>50</i>
Appendix.....	51
<i>Administrators Interview Sample</i>	<i>51</i>
<i>Managers Interview Sample</i>	<i>53</i>
<i>Operatives Interview Sample.....</i>	<i>55</i>
<i>Sales Representative Interview Sample</i>	<i>57</i>
<i>Senior Management Interview Sample</i>	<i>59</i>
<i>Guideline Questions for Interviews and Focus Groups.....</i>	<i>61</i>

Introduction

Up until the current economic recession, employees at SIG Ireland were accustomed to a very generous reward strategy. However, there has been a pay freeze for the last 2 years; there are no bonuses being paid and very few promotions. This is largely due to the downturn in the construction industry which SIG Ireland are dependent on.

Many employees are working as hard, if not harder than before, for less pay. Employees are de-motivated and concerned for the future of the organisation. It is important to look at how management are rewarding employees and how the process can be improved or modified to include alternative rewards. Organisations often say that their employees are their most important asset; therefore it would seem appropriate that they would take care of them like they would care for any other important asset. On the other hand does it make sense to spend large amounts of money on an asset if it is not needed or if it is not making improvements to the asset?

In order to maintain or even promote employee engagement, the organisation needs to be more creative about how they reward their employee's performance and this does not necessarily have to mean more pay. It is important that organisations still show their employees that they and their work is valued by the organisation, but can this be done without using financial rewards? When the economy starts to emerge from the recession, it is vital that management prepare for recovery by having a reward strategy in place to avoid losing key employees.

In the current economic climate it is vital that the high performing employees feel valued but it is also important that employers get value for money. It is therefore necessary to look at how the current reward system influences employee performance or in other words motivates them.

The aim of this research is to understand what will motivate employees in the absence of financial rewards. As organisations in the recent past have used financial rewards to motivate employees, now that this practice may be no longer possible, the research is investigating whether alternative rewards have been offered to employees as a substitute to financial rewards. This will also test if employees recognise alternative rewards or if they do recognise them do they see them as being of any value to them?

The research will also look at employee's attitudes to reward when they are at different levels within the organisation, to see if there are any differences in what motivates a manager as opposed to a general operative. In addition, the research will be looking at what the employees' expectations are from management in recessionary times.

The literature review in this dissertation will outline some of the theories regarding reward management. Firstly I will look at how employers decide to pay employees, by looking at the classic labour market theory, the human capital theory and the efficiency theory. An important aspect of any pay system is equity and how this affects the satisfaction of employees with their salaries, so I will be discussing Adams theory on Equity. I will then discuss some of the motivation theories such as Herzberg's dual system theory, the expectancy theory, and if money does or doesn't motivate employees. If money or financial reward does not motivate employees then how do you motivate employees? To answer this I will be looking at theories such as operant conditioning and self determination theory and job enrichment. Recognition and the importance of feedback will then be discussed.

I will then discuss alternative approaches to reward such as 'new pay', 'flexible pay' otherwise known as a 'cafeteria plan', and 'total reward' the concept which aims to satisfy the intrinsic needs of employees as well as the extrinsic needs. I will also discuss the importance of rewarding high performers and the problems with a reward strategy that rewards the wrong people or the wrong behaviour. Then the importance of communication will be discussed. Finally in the literature review, how the theoretical framework was developed will be discussed.

In the methodology I will explain how my research was conducted. I will discuss the different methods that can be used and justify my reasons for my choice of methods or approach. I will discuss the structure of the interviews and the questions and I will explain how the interviewees were selected and the reasons for their selection. I will then discuss the ethics of how I conducted my research and finally I will discuss any limitations that I encountered or difficulties that arose during the process.

In the next section I will present and discuss the analysis of my primary data and then in my findings I will discuss how my research relates to the theory in the literature review and if the reality agrees or disagrees with the theory.

Finally in my conclusion I will summarise what I found in relation to my research questions and if I have been able to answer the research questions. I will also discuss any failings or gaps in theory that have been identified and recommendations that can be used to address these gaps.

Literature Review

To answer the research question it is necessary to look at the theories relating to the subject, therefore this chapter will be discussing theories in relation to reward, motivation, recognition and employee satisfaction.

Employee Reward as defined by Armstrong (2002 p. 3) “is about how people are rewarded in accordance with their value to an organisation. It is concerned with both financial and non-financial rewards and embraces the philosophies, strategies, policies, plans and processes used by organisations to develop and maintain reward systems.”

Employee reward is an important process for attracting and retaining a highly skilled and talented workforce. Employees also view how they are rewarded as an indication of how much they are valued by an organisation. This means reward, and the expectations employees have of the reward strategy in place, has a large impact on motivation, performance, employee engagement and retention of key employees.

According to Smith (1983), traditionally the aim of reward management was to attract, retain and stimulate or motivate employees. Whereas for the employee what they expect from their reward package is ‘purchasing power’, status in society or a certain standard of living. But how do employers decide on what to pay their employees and how do employees decide on what is an acceptable payment for their work. Do employees take in to account other types of reward or benefits when considering their remuneration package?

Classic Labour Market Theory

Firstly it is important to look at how employers decide on what and how they pay their employees. When considering employee reward one of the most important concepts is that of the ‘labour market’. The term refers to labour as it would to any other product or service in any other market. In other words an employer will try to buy labour at the best possible price and in turn an employee will try to sell their labour for the best possible price, as would happen in any market. Within the market, employers will be competing with other employers for labour and alternatively employees will compete

with other employees for employment (Perkins and White 2009). This is also known as supply and demand, the employee supplies the labour and the demand is the labour the employer requires in order to maintain production of goods or services.

Reward therefore is compensation the employer gives to the employee for sacrificing their time. However if the reward is not enough the employee will choose to not work and if the reward is too high this will attract more employees in to the market than is needed thus causing a surplus of employees and unemployment (Beaumont & Hunter 2000).

However there are other factors which will affect the compensation offered by employers, for example if a job is particularly unpleasant, or a lot of time and effort is required to obtain the skills to do the job, the rate of pay will be higher in relation to jobs that do not have such traits (Perkins & White 2009). It is important for the employer to set an appropriate rate of pay, if it is too low the employer will be unable to find labour and if too high the employer will be forced to increase the price of his goods therefore giving his competitor a market advantage. This may lead to a decrease in revenue as customers shop elsewhere eventually leading to a reduction in cost of wages or a reduction in number of employees.

However this is a very simplistic view of labour economics and does not take into account other factors such as remuneration being used as a tool to motivate or improve performance, or the effect of collective bargaining on rates of pay, or government imposed restrictions such as minimum wage (Beaumont & Hunter 2000). Also it does not take in to account the situations of employees or employers. There may be social factors such as employees not being aware of competitive salaries elsewhere (Smith 1983). Or a Multinational may be able to pay more than local firms as the higher rate is still competitive in terms of the rate of pay they would expect to incur in the country they originate from (Perkins & White 2009).

In order to address some of the problems with the classic labour market theory, other theories have been developed to reflect the discretion and choice of employers and employees and the effects they have on the labour market and wage rates. These

theories allow employers to pay above market rates and are more reflective of what happens in reality.

Human Capital Theory

The next development in labour economics was the Human Capital Theory in the 1960's. This theory was focused on the supply of labour and was based on the fact that employees could improve their capital or their value by investing in training, education and experience. By doing this a person would increase productivity and therefore would be a more desirable asset for the employer and therefore they would pay higher wages (Beaumont & Hunter 2000). This theory has led to a much better understanding of reward that is practiced today, whereby employees and the value they can add to an organisation are considered in the business strategy (Gross & Friedman 2004).

Efficiency Wage Theory

This theory is based on the assumption that if an employer pays a premium rate to an employee they will be more productive; therefore the higher cost will be worth it. Also the higher rate is worth paying as the loss of the employee would incur more expense than the cost of the premium rate (Perkins & White 2009).

The efficiency wage theory is designed to reduce turnover but at the same time it attracts a higher standard of applicants when recruiting as more people will be attracted by the higher wage (Elliott 1991). This will also increase employee's perception that they are treated fairly and in return they will increase performance. Heneman and Werner (2005) also suggest that the efficiency wage theory has implications for 'merit pay' because in organisations where the base pay is higher, merit pay will not be as significant due to the fact that employees are already earning a premium rate of pay.

Equity

Equity is virtually completely a subjective matter; it can have a different meaning to each individual. For some people it means being paid a reward in line with your performance for others it means everyone being paid the same wage, or it can mean being paid more for length of service (Kerr 1997).

Adams (1963) argued that the main reason for satisfaction with reward was based on how employees perceived their 'outputs' (reward), was equitable in relation to their 'inputs' (skills, effort). However he also found that workers were more concerned with how they were paid in relation to others. This could mean that an employee on the same wage may find their reward unfair if they feel they are doing more work than a co-worker and still receiving the same salary. Or on the other hand an employee doing the same job as a co-worker but is paid less will feel the reward is inequitable. More importantly Adams found that employees seldom tolerate inequity and that inequity in reward is likely to cause damage to an organisation through the actions of unsatisfied employees.

Equity can be an extremely sensitive matter and can lead to many problems with absenteeism, motivation, retention, and is often the cause for industrial disputes Smith (1983). So what can management do to avoid perceived inequity? Although it is accepted that equity in pay is necessary there is very little information about how to introduce systems of reward levels that will be deemed equitable. People agree that rewards should not be equally dispensed; people who have greater skills or have put time and money in to acquiring these skills, or have more responsibility should be paid more (Taylor 2000).

However these skills can be difficult to quantify or given a specific value. Taylor (2000) advises that there are two options available, firstly to pay rewards in relation to the external labour market and secondly to pay rewards in relation to the internal labour market. Also Lawler (1983) advises that it is not just enough to reward high performers more than poor performers, but that these rewards should be significantly more. The reason for this being that people generally compare what they receive with what other people in the same situation receive, if this is in their favour then they will be satisfied and dissatisfied if not in their favour.

When using the internal labour market as a basis for equitable pay the problem that arises is: what is a suitable pay difference between the varying levels within the organisation? Pfeffer (1994) suggests 'pay compression' reducing the difference between levels, because by having large differentials between levels this shows

employees how much, or rather how little, they are valued in comparison to the people above them. Therefore the bigger the differential the less they perceive to be valued. Alternatively, the tournament theory otherwise known as the winner takes all, recommends that there should be bigger differentials between levels in order to make the higher levels more desirable and therefore motivating employees to reach these levels (Perkins & white 2009).

Motivation

Having looked at the reward theories from an economic perspective it is clear why economically it may be necessary to pay employees higher rates than the market rate, but it is also important to look at what motivates employees to be more productive.

Does Money Motivate?

Any discussion regarding motivation must begin with Herzberg's (1974) two factor theory also known as the motivation-hygiene theory. The basis of this theory is that certain factors affecting your happiness or satisfaction with your job are divided in to either motivation factors or hygiene factors.

In order to be satisfied with your job the motivational factors required are intrinsic aspects such as achievement of goals, appreciation, challenging work, responsibility and promotion. The hygiene factors on the other hand are extrinsic aspects which affect dissatisfaction, such as reward, company policy, conditions, security and supervision.

These factors will obtain satisfaction to a certain point but if they are not there, they will cause dissatisfaction. It is the intrinsic or motivation factors that will create improved performance (Miner 2005). According to Herzberg's theory, reward or financial reward is a hygiene factor and not a motivator. If you accept that less money will dissatisfy or de-motivate, does this mean that more money will satisfy or motivate? (Kohn 1997).

As far back as the 1920's and 1930's there was evidence that alternative rewards other than financial reward improved performance. Elton Mayo conducted studies firstly in a Philadelphia textile mill where employees were given benefits such as being

allowed to leave early, given more breaks etc. While this happened their morale was high and they were more productive as soon as the benefits were withdrawn the rate of productivity returned to what it had been previously. He then went on to conduct the Hawthorne experiments which lasted for 10 years. In these experiments it was found that performance was much more affected by the interaction and personal relationships than financial reward (Bowe and Thorpe 2000).

Expectancy Theory

This theory is the most applied theory in reward management because it relates to how much employees are motivated by extrinsic reward or money (Taylor 2000). This theory is based on the fact that money does in fact motivate and that people will change their behaviour for more money. Vroom's expectancy theory assumes that people will prefer one result more than another and that if their preferred result is achieved then they will be satisfied (Miner 2009).

Lawler (1995) suggests that the reward for an individual's behaviour must be needed or of value to them in order for them to be motivated by money and that the reward must be a significant amount. It is the satisfaction with the reward that motivates, or this can also be a satisfaction with performance as the person associates the outcome or reward with the performance, although they must trust that they will receive the reward (Lawler 1996).

Operant Conditioning

In the 1930's B.F. Skinner developed the theory of 'Operant Conditioning'. He trained rats to run faster in a maze and pigeons to peck seed in a specific order by rewarding them when they did it right and by punishing them, not giving them a reward, if they got it wrong. He believed that humans react in the same way to reward (Strickler 2006). This is also known as the carrot and the stick approach to reward and is a way of controlling and manipulating employees rather than motivating them and it is also probably the most commonly used approach to reward.

Management believe that the best way to motivate people to do what you want is to give them a reward for doing it, but when employees realise this they become less productive but still expect the annual pay rises, bonuses and job security (Strickler

2006). Levinson (1973) suggests that the analogy basically refers to employees as 'jackasses', and this leads to behaviour that resembles a 'jackass', stubbornness, stupidity and refusal to go where they are led. This is insulting to employees and therefore rather than motivating them the approach has the opposite affect.

Kohn (1993) advocates that not only does money not motivate but other extrinsic motivators such as praise are not only unsuccessful but in the long term they are actually counterproductive. He suggests that not only are they ineffective but they spoil the intrinsic motivators such as enjoyment in what we do, by placing a financial reward on a task, people are more focused on the reward than the actual task. Also by making employees compete with each other for career advancement or bonuses, this damages the relationship between employees which is extremely damaging to motivation. Competition can also be harmful to the organisation as the behaviour involved in winning the competition may entail unethical behaviour such as cheating or not disclosing information (Strickler 2006).

Kohn's (1995) solution is that people are given 'choice, collaboration and content' to motivate them. Choice means allowing employees to make decisions regarding their daily routine or duties. Collaboration means promoting an environment where ideas are shared and support is forthcoming. Content means making the job that they do should be of interest to the employee. However Pierce et al (2003) found in a study on the affects of reward on intrinsic motivation, that rewards can improve intrinsic motivation by linking them to increasingly challenging but achievable standards.

Self Determination Theory

Stone, Deci and Ryan (2009) recommend the Self Determination Theory. They believe that people have an inbuilt drive to achieve and even if they do not find a job interesting employees will still commit to doing it as long as they know why they are doing it and that it is valued.

The theory assumes there are three basic psychological needs: competence, relatedness and autonomy. Competence is explained as the belief that you have the ability to influence results or make significant decisions relating to the results. Relatedness is having important social relationships that give you support and

satisfaction. Autonomy is about having choice in how you do your job, being able to do your job without constant supervision and about having 'self determination'. By satisfying these core needs employees will be motivated to do a job for their own reasons not because they are compelled to do it by external forces. This is therefore creating motivation from within 'autonomous motivation' and by providing this; employers will be able to expect increased productivity (Stone, Deci and Ryan 2009).

Job Enrichment

If money does not motivate then it is necessary for managers to satisfy employees intrinsic needs, but how is this done? Herzberg (1968) suggests that it is 'job enrichment' that motivates employees as it provides opportunities for personal growth. Job enrichment means giving employees more responsibility and recognition but also providing employees with a sense of achievement and not just loading them with more work.

Employees should be educated and be given an opportunity to put what they have learnt in to practice, in order for them to feel a sense of achievement. Job enrichment will have a long term affect on employees motivation and attitude or satisfaction towards the job and the organisation. By enriching an employee's job and by giving them opportunities to develop and grow, you are recognising their capabilities and performance. However not all jobs can be enriched and there will come a point where jobs may have to be enriched further (Herzberg 1968), it is a continuous process. Also through efficiency some of the elements that enrich a job may need to be changed or removed from the job (Herzberg 1974).

Recognition

Kohn (1995) believes praise is also an extrinsic motivator and that it is also used to manipulate or control employees. He does not disagree with feedback being used as constructive information but rather with praise being used as a verbal reward. The more that you are rewarded or praised for doing something the less interest you will have in the task. Hansen et al (2002) also recommend that for recognition to work it should not be about controlling or manipulating employees but about appreciating and noticing employees and their work. Risher (1999) recommends using recognition as a form of operant conditioning. He explains it as, people want recognition of their value

and when they get recognition they feel good about themselves and therefore want to replicate the action in order to get the same feeling again. If they are financially rewarded as well then this is an additional form of recognition.

The Hawthorne experiments, discussed earlier, also found that it was not necessarily the environmental changes that made the employees more productive but the new relationships that the employees had formed with each other and the researchers. The researchers suggested that by having a more open atmosphere and by encouraging communication between management and the workers this would promote a more supportive and helpful workforce (Thorpe & Homan 2000). Beer (1993) recommends that employers should not stop paying for performance but that they should pay employees equitably rather than using money as a tool to motivate them, and use praise to recognise good performance.

Herzberg (1974) advises that a basic principle of development is; that knowing how you have performed is crucial to learning and improved performance, and this element is called 'feedback'. Herzberg (1974) recommends that the feedback should be given quickly and directly to the employee and that employers should not wait for performance reviews to give feedback as this is not immediate. Also feedback should be non-evaluative as otherwise employees feel that they are being criticised personally.

Vansteenkiste and Deci (2003) found that it is more important for competitors to receive positive feedback than to actually win a competition. Not only is feedback important but positive feedback or recognition in front of people who have done the same task was found to be even more intrinsically motivating than winning the competition, which can sometimes be counterproductive to what the organisation is trying to achieve.

Obligation

Obligation motivation is described by Cooper and Jayatilaka (2006) as a persons need to keep true to their values in order to maintain a good opinion of their self; this feeling will however restrict their actions. For example a person who is being rewarded might act the way the person giving them a reward asks them to act. Cooper

and Jayatilaka (2006) found in their research that extra money did not necessarily affect people's obligation motivation and that reward reasonableness was more important. Once people are paid a certain amount they will not necessarily work harder for more money. They also found that the effects of obligation motivation had more in common with intrinsic motivation than extrinsic motivation.

Alternative Reward Strategies

The concept of 'new pay' was popular in the 1990's, this was based on the idea that an important element of salaries would be based on variable pay, performance related bonuses etc. 'New Pay' was meant to identify which payments would improve the results of the organisations strategy it was not meant to replace the old payment system or bring in new ones (Lawler 1995). Its principle was that organisations would be able to pay high salaries in the good times and reduce salaries in leaner years. The problem with this concept is that the employees are expected to bear the risk of the organisations poor performance, employees will have expectations and when these are not met, the organisation risks employee de-motivation, and poor performance (Smith 2000). New pay may also have implications for Trade Union members who have agreed wages through collective bargaining. Also, 'new pay' may discourage employees taking risks or from collaborating with others and act as a deterrent to team work, as their reward is based on individual performance (Druker & White 2000).

However times have changed and employers recognise how important reward management is in achieving organisational goals. Organisations realise that a total reward strategy can help to reward the right people, in the right way, for doing the right things. It is not just about paying employees on a regular basis, reward now covers the overall value that an employer can give to employees. This reward strategy will include compensation, benefits and careers or opportunities for development (Gross & Friedman 2004).

Flexible Benefits

Any reward system has to be flexible and fit with the business strategy of the organisation. Organisations are starting to understand that it is not enough to just copy another organisations reward strategy, they must design one specifically for their needs, one that will ultimately work for them. Each organisation is unique in terms of

how work is done, how decisions are made, how information is shared, how employees are managed and will therefore require a unique reward strategy (Gross & Friedman 2004).

As all organisations are unique so are all employees and each employee will have different reasons for working and hence will be motivated differently (Bowey and Thorpe 2000). Employees have different needs and interests and these will change at various stages in their careers (Prendergast 2008). For example the benefit of a good pension plan would be more valuable to a person near retirement than to a person starting their career, but if a person does not want to join the pension they lose that benefit.

Therefore different rewards will work for some people and not for others. This means that organisations could make savings on their reward package by providing employees with the rewards that they do value. Whether a reward strategy is successful often depends on the relationship between management and employees but what is crucial to its success is employee involvement (Wright 2004). It is therefore important to know what your employee's expectations are and when rewarding them align the reward with the needs of both the employee and the business.

Although organisations recognise the importance of rewarding their employees, there is a danger that managers are not necessarily rewarding the right behaviour (Nelson & Spitzer 2007). For example, management may want employees to share knowledge but in reality they reward employees with expertise in order to retain them in the organisation. Another example is where an organisation may want to reward high performers but by giving standard annual increases and bonus schemes, they are equally rewarding underperformers and high performers. This can be very demotivating for the high performers and does not encourage employees who are underachieving to improve and reach the desired level of performance.

Performance Based Rewards

Management need to avoid rewarding people based on their expectations. Zingheim and Schuster (2007) advise that employers should be rewarding the top performing 20 percent of their employees, that it is not possible to create a high performing culture

without strongly recognising and rewarding positive results. By developing a performance based reward strategy this should discourage poor performers from staying and draining resources, and making it attractive for your top performers to stay in the organisation. It will also encourage the mid-level performers to strive towards achieving greater results.

Zingheim and Schuster (2007) describe the top performers as 'superkeepers' and say it is the top 20 percent of employees who deliver 80 percent of the results. Employers need to reward employees who add real value to the business. However Baron (2004) considers pay for performance to cause problems for motivation because employees generally like to know how much they are going to be getting each week or month. Also if initially employees get high bonuses they see that as the standard, but if then they start to receive smaller bonuses then they see this as a penalty and become demotivated. He recommends that employers instead of paying for performance should reward for performance, but this does not necessarily mean financial rewards.

Total Reward

Due to the difficult financial times that businesses are now operating in, reward will have to be looked at in a different way. As most theorist have recommended that financial rewards do not necessarily motivate, it is important that management look at other ways to reward and ultimately motivate their employees. Although pay freezes and cutbacks may be a necessary evil some organisations are using alternatives such as career planning or succession planning and smaller ad-hoc awards to show their top performers that they are valued (Terry 2009). 'Total Reward' is a reward strategy that can be used as a non financial method of motivating and engaging employees, it is a holistic approach to reward, it is a complete 'value proposition that is offered by the employer' (Gross & Friedman 2004).

As defined by Perkins and White (2009 p. 293) Total Reward "can expand to encompass everything that is rewarding about working for a particular employer or everything employees' get as a result of their employment" This refers to both extrinsic and intrinsic rewards. Total reward takes in to consideration, employee development, work life balance, flexible benefits, flexible working hours, recognition for achievements, career opportunities and any intangible benefit.

Although, the application of the principles of total reward is complex therefore it is necessary that employees and line managers are involved in the design of a total reward strategy to ensure its success. Senior Management will also have to be willing to invest in non-financial rewards (Perkins and White 2008). In order for a total reward strategy to be effective it needs to be based on quantitative analysis of individual organisations, it needs to be based on what the employees value not on external benchmarking or instinct (Gross and Friedman 2004).

By using total rewards statements, it shows the employee the full cost of their employment and this equates to the value that they bring to the employer. This improves the employees' perception of their reward package and increases their involvement and participation in the organisations long term strategies (Mc Cullagh 2009).

Communication

It is commonly accepted that labour is one of the largest costs of any organisation therefore if employees do not understand their rewards package then an organisation is spending a lot of money inefficiently and ineffectively (Armstrong and Brown 2006). Employees will not appreciate a reward or incentive if they do not understand how it works. Bell (2000) observes that often the 'shopfloor' workers do not recognise the ideology of reward or the difference between compensation and reward. This refers to 'compensation' as being the extrinsic motivator and consisting of the exchange of payment for labour and 'reward' being an overall strategy to improve intrinsic motivation, employee satisfaction and loyalty to the organisation, through other means such as career development or even just challenging or more meaningful work (Bell 2000). Therefore if people do not understand or know what benefits are available they will not appreciate or use them and more importantly the reward strategy will not achieve the results it was set up to do (Armstrong and Brown 2006).

Communication is about openness and this also avoids misperceptions about rewards that other employees are receiving within the organisation and this also avoids employees misunderstanding what is expected of them in order to obtain the desired reward (Lawler 1996).

Theoretical Framework

The theoretical framework is based on the theories and ideas that have been discussed in the literature review. Having looked at the economic theories it is clear how employers decide on how or what to pay employees and the theories on motivation answer the question, does money motivate? The theorists have mixed opinions on how reward motivates but they mainly agree that it is not money that motivates. It is clear that while money is important it does not motivate people to be more productive. What is evident however is that employees are motivated by the actual content of their job, recognition and responsibility, these are the factors that satisfy their intrinsic needs. What the theory shows is that people are motivated by different factors; therefore it is prudent to design your reward system to allow for these differences. Total reward is an alternative approach to reward which encompasses both extrinsic and intrinsic rewards or motivators. However, the question is; do people recognise non financial rewards and if so do they value them?

The questions that the research will be trying to answer are as follows:

- Do the employees believe that management are rewarding employees fairly?
- Do employees feel that the current reward system is competitive in relation to comparable organisations?
- Are employees aware of all the benefits available to them and do they see them as benefits? For example an employee who is not interested in further education may not see assistance for this as a benefit.
- Does money motivate employees and if not, what does?
- Do employees feel their work is valued or recognised by managers, or is this important to them?
- Do employees think that a variable pay system rewarding results, would improve performance?
- Do employees think that alternatives to financial reward would improve employee engagement? For example some employees may value flexible working hours more than a salary increase.

Research Question

Having reviewed the most relevant and recent literature on reward management, my research question is:

Do employees understand or recognise alternative rewards as rewards and if so do they see alternative rewards as being of value to them?

Methodology

In the research being conducted the key area of focus will be the opinions of employees in relation to the reward system in SIG Ireland. The aim of the research is to discover how employees expectations are met by the reward system and do employees recognise or value alternative rewards and if so will these rewards increase performance. Therefore the main topics covered in the research will be current levels of satisfaction with their reward package, equity, motivation, recognition, and employee opinions on alternative rewards.

Research is defined by Saunders et al. (2007 p. 5) “as something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge.” It is necessary to explain the methods and techniques used to acquire and analyse any information gathered. This research methodology will hopefully add significance to the findings and conclusions.

Deductive or Inductive Approach

When doing research there are two approaches that can be taken, a deductive or inductive approach. The deductive approach is used when trying to test or evaluate a theory that already exists (Horn 2009) and the inductive approach is the reverse; this draws a conclusion from experiences, observations, or research (Fisher 2007). Fisher explains the difference as; deductive research deals in certainties whereas inductive research draws its conclusions from probabilities. Therefore the research being conducted is deductive as the theories in the literature review are being tested to see if they are true. However Horn (2009) advises that both deductive and inductive reasoning may be involved in most research.

Methodology Stance

Horn (2009 p. 109) describes positivists as people, who “believe that in the world we live in there are universal truths, and that research goals should discover the laws of the universe relating to these universal truths.” Positivism can entail both inductive and deductive research (Bryman and Bell 2007). Realism is similar to positivism in

that it is trying to find an absolute truth but it takes into account that people are subjective and this can change the outcome. However the results are good indications of the truth as opposed to the absolute truth (Fisher 2007). Realist research usually consists of qualitative data which is used to see if there are any connections between any variables.

In contrast to positivism, interpretivism is based on the fact that 'social science' is different to the 'natural science' and in order to study the social science, you have to observe and interpret how people think, and the reasons for their actions (Bryman and Bell 2007). This is best done through qualitative research. The approach that will be taken for this research is the interpretive approach. The reason for this is that the research is trying to interpret a subject which is of a sensitive nature and is subjective to the personal opinions of the interviewees and collecting this information can not necessarily be done by using either of the approaches mentioned above.

Qualitative or Quantitative Research

From the literature review it was clear that the information that was required would be easier to interpret and more effective using qualitative research. Saunders et al. (2007) advise it is necessary to use a qualitative interview when you are trying to understand reasons for interviewees' attitudes, opinions or the reason for the decisions and actions they take.

Qualitative research is usually conducted using methods such as the one to one interview, group interviews and focus groups. Interviews can be structured, semi structured or unstructured, they can be conducted face to face or by telephone, or electronically by the internet or email (Saunders et al 2007). Structured interviews are otherwise referred to as an interviewer administered questionnaire; as each person is asked identical questions, which are usually very specific (Bryman and Bell 2007). Semi-structured interviews are not uniformly conducted. The interviewer has a list of questions and topics which are to be asked and discussed, but they may vary. The order may be changed or some questions may be omitted or questions may be changed or added to probe further in to areas of interest. Unstructured interviews are less formal with no set list of questions (Saunders et al., 2007).

For this research it was initially planned that structured interviews would be used, so that all employees would be asked the same questions. However, as employees at different levels within the organisation were being interviewed it was decided that semi-structured interviews would be more appropriate. Also semi structured interviews allowed that when interviewees did not understand the questions being asked, the question would have to be re-phrased or explained in more detail, or more questions asked in order to obtain more information from the respondents.

Having decided that semi structured interviews would be used; the areas of interest were identified and were ordered in relation to priority (Fisher 2007). This meant that the important issues were addressed first so if there was not enough time or the interviewees began to lose interest the main areas of interest would have been covered.

In order to test the structure of the interview questions a pilot interview was conducted, as recommended by Horn (2009). From this there were some changes made to questions as they were not understood and took too much time to actually explain what was meant by the question.

Questions

The structure of the questions consisted of both closed and open ended questions, depending on the subject. The author tried to not use specific or leading questions to avoid influencing the interviewees' answers to reflect the preconceptions of the author. So the type of questions used were 'what motivates you?' or 'do you feel your reward reflects your performance?' In order to find out the reasons for the interviewees' thoughts or feelings regarding their answer probing questions such as 'Why is that?' or 'can you explain that?' were used.

Focus Groups

To research the opinions of the employees regarding the reward system, focus groups were found to be more suitable as this type of interview is a practical way of obtaining information regarding people's feelings and also allows the interviewer to seek clarification of the interviewees answers (Horn 2009). The recommended size of a

focus group should include between 4 and 12 people (Fisher 2007), therefore it was decided that each group would consist of 4 employees in order to be manageable. Also for the size of the organisation, it would not have been necessary to have large groups.

Due to the sensitivity of the subject, senior management were also reluctant for surveys to be circulated to employees. However, it was necessary to obtain a number of employee's opinions in order to try and answer my research question. Therefore senior management agreed that focus groups would be allowed and this enabled the interviewer to explain to the employees the purpose of the interview. They were also informed that it had not been commissioned by management and was not indicative of any projects that were being undertaken within the organisation.

Selection of respondents

To enable employees to speak openly about how they felt about reward, it was decided to group them according to their job description. Also, this meant that people at a higher level who would have a more educated understanding of reward would be prevented from influencing other people's answers. Therefore it was decided that 4 groups; warehouse, administration, sales representatives and middle managers would be an appropriate representation of the population and is indicative of how the organisation is structured. It also allows the opportunity to see if there are similarities or differences in the opinions within certain groups. There are 150 employees in the organisation at present and 16 people were interviewed this was just over 10% of the population.

To ensure objectivity 'stratified random sampling' was used, this guarantees that all subgroups are represented and enables the interviewer to see if the opinions between the groups will differ (Horn 2009). This also meant that the respondents would all be from different divisions of the organisation and they would be at different stages of their working life. This sampling meant that employees from different branches were selected and to facilitate this, the interviews were arranged to take place on the same day that there was a communications session in Head Office. Once the selection had been made, the selected employees were invited by letter to take part in the research. They were also contacted by telephone prior to this in order to explain what the

research was about and to see if they had any objections to being asked to partake in the research. A few people who were selected were not interested in participating in the focus group so it was necessary to randomly select others.

In order to get the perspective of all employees, it was also necessary to interview a senior manager. This was in order to find out how he felt personally about reward and also to ask how he rewards his employees, he was not included in the managers group as he wanted to remain anonymous and also he would be at a much higher level in the organisation, so this also avoided more junior managers responses being influenced by his presence (Fisher 2007).

Interviews

The interviews were all held at head office except for the senior manager interview this was held in his office at another branch of the organisation. All the interviews were recorded using a Dictaphone in order to be able to transcribe them later. Notes were also taken at the interviews to record any thoughts that the interviewer had at the time in relation to information given.

At the start of each interview, a statement was read to explain the purpose of the research and that the information that they gave would not be used by the company. At this point they were also given the option to remain anonymous. The Senior Manager was the only person to request anonymity.

The respondents did not receive the interview questions prior to the interview so that they would not research the topic or give them time to prepare answers. This was to ensure spontaneity and to ensure their answers were honest and reflected reality and not what they would have researched. Each interview took approximately 30 minutes to 45 minutes. The interviewees were also asked to try and avoid speaking over each other as this would make transcribing or deciphering what they had said easier. As it was not possible to get a number of sales representatives together for a focus group, it was decided to interview them individually. These interviews were much shorter and lasted 15 to 20 minutes. All interviewees were offered an opportunity to review the transcript afterwards in case they wanted to change any of their answers but no one requested this.

Fisher (2007) suggests that when the interview is finished, the interviewee relaxes and often gives you information informally that they would not have liked to put on a recording. This information can often be as important as what has been recorded so it is important to take note of it.

Primary and Secondary Data

Primary and Secondary Data will both be used for this dissertation. Primary data is original information that is produced by the researcher specifically for a study (Horn 2009). Therefore the primary data consists of the qualitative data obtained from the interviews and focus groups. Secondary Data refers to information that has been collected previously by other researchers for another purpose (Horn 2009).

The secondary data that was used was mainly books and journals which were sourced using the college library and its databases. Other databases such as Books 24/7, Google Books and Google Scholar were used to source references not found using the college resources. Surveys on Reward Management conducted by CIPD were also used as secondary data. Also company records were used in order to confirm whether the respondent's opinions are correct or incorrect in relation to the equity of how they are paid. The Towers Watson Wyatt benchmarking survey for 2010 was also used to analyse the perspectives of the interviewees in relation to the current market.

Analysis of Primary Data

To analyse the primary data firstly it is necessary to familiarise yourself with the information gathered. Fisher (2007) advises that the information that you have gathered only makes sense once you start to write it and in order to do this you must read through it and code the relevant themes. Having done this the information was grouped in to relevant categories. Hussey and Hussey (1997) recommend the use of data displays to analyse qualitative research. A display is a visual format presenting the information systematically, allowing the user to make valid conclusions.

The type of display used was a matrix which recorded the data from the interviews in a logical and systematic format. This allowed the occurrence of trends and perceptions in the data to be analysed. Saunders et al. (2007 p. 494) add "The use of a display will allow you to make comparisons between the elements of the data that are included in

it and to identify any relationships, key themes, patterns and trends that may be evident”.

Research Ethics

Saunders et al (2007 p. 178) state that research ethics “relates to questions about how we formulate and clarify our research topic, design our research and gain access, collect data, process and store data, analyse data and write up our research findings in a moral and responsible way”.

Therefore when interviewing the employees and managers, it was explained to them clearly what the purpose of the research was and who would have access to the research, they were also given a guarantee that their names would not be used if they did not wish to be identified in the project.

None of the interviewees requested anonymity however due to the fact that information regarding their salaries was going to be used as secondary data, the author decided that it would not be fair or proper to disclose their identities. Therefore each person has been given a different name and their title has not been disclosed other than the level that they are at, manager etc... The respondents were also asked for permission to record the interviews and none objected.

Also the maintenance of objectivity was vital during the analysis to make sure that the author did not misinterpret the data collected (Saunders et al, 2007). It was important that the author was not selective when using data or that they did not misrepresent the information that was collected. If the analysis was not objective it may falsify the findings, and the conclusions. It was also important to avoid preconceptions of the author regarding the employees or the organisation that would affect the analysis of the data.

Limitations of the Research Design

Having used focus groups to interview some of the groups and having interviewed others individually, it was found that the individual interviews were more informative. This was due to the fact that during the focus groups the first person would give their opinion and then if people agreed they would not say very much more. Also it was

found that in the focus groups it was the same one or two people who did most of the talking with the rest of the interviewees either agreeing with them or disagreeing but not very vocally, so you were only getting one persons opinion. It was also more difficult to get people talking openly in a group situation.

As the interviewer is a member of the Human Resources Department, this may have been an issue with people being fully honest in their responses. Even though it was explained that the research was not part of the organisations remit, it may have been a perception that this information could influence decisions regarding the individuals at a later time. This may have explained some people's reticence in responding freely to the questions.

Due to the different levels of knowledge of the people that were interviewed it was also necessary to use phrases that were understood by everyone and not just people who would have some understanding on the process of reward. For example, some people would not have been familiar with the term 'Total Reward' therefore it was necessary to use the phrase alternative rewards.

As the research was being conducted on a multi site organisation, this caused problems with organising interviewees to attend the interviews. If there had not been a company organised event it would not have been possible to have a cross section of the organisation represented.

Analysis

SIG Ireland

SIG Ireland is a multi site distribution company who specialise in building products; they are a subsidiary of a public limited company which is based in the UK. There are over 6,000 employees worldwide in SIG plc but in Ireland the numbers are currently around 150. Up until the current economic recession, there had been almost 350 employees at SIG Ireland; however there have been many redundancies and a much flatter management structure has been implemented. SIG now consists of a team of senior management who are directors of the company, middle managers who are branch managers or department managers, administration and internal sales teams, sales representatives and warehouse or transport.

Interviewees

The interviewees that took part in the research have been given false names to hide their identity; however their position within the organisation is correct, though not specific. It is important to know if people's opinions will change at different levels within an organisation, which is why their level within the organisation has been identified.

Senior Manager: Enda

Managers: Dave, Geraldine, Bill, Rachael

Administration: Norah, Lorraine, Ben, Alison

Sales Representatives: Paul, Karl, Nick, Donal

Operatives: Tom, Philip, John, Robert

Reward

When the interviewees were asked what was their understanding of the term reward their answers varied. The managers thought that it was pay or recognition for achievement. One manager saw it as 'what you get for doing more than is expected of you'. With regards to what reward consisted of, they all agreed that it was the whole package or a combination of everything and not just financial rewards. The administrators saw reward as something you get when you reach a target, either money or time off. Ben saw reward as something that is outside your contract or

something additional. Lorraine said it was also the pension and health care, or it could be just a verbal reward 'well done'.

The Sales representatives all described reward as something that you are paid, for doing a job well, or reaching your targets, though they also felt that reward was not just financial. Karl explained it as "Rewards to me would not necessarily mean financial reward more recognition of doing my job well especially in the economic climate we all work in"

The Operative respondents saw reward as 'promotion, time in lieu, paid overtime etc.' they did not expand on this but they all agreed that it was a mixture of different things.

Enda the senior manager on the other hand had the most advanced understanding of reward, describing it as "an interest being taken in the people but not in an intrusive way their welfare, well being, their contentedness, and happiness within a job. Effectively praising people when they do well, encouragement, empowerment, advancement, effectively it is all about people." Though he later said that he had been criticised in the past for his style of management, and he felt that as a company SIG did not share his values in relation to recognition and reward.

When asked what their understanding of alternative rewards was, most of the interviewees did not understand what was meant by the term. Enda the senior manager had a good understanding of what was meant by the term and referred to flexibility, career development and his belief in coaching being 'terribly important'. He explained alternative rewards as taking an interest in people but not in an intrusive way, facilitating their advancement in the organisation, through education and training. The only other people who understood the concept of alternative rewards were some of the managers and one of the sales representatives.

When the concept of alternative rewards was explained to the interviewees they all agreed that alternative rewards would be of benefit to them. However the managers although they agreed that alternative rewards would be of benefit to them personally they thought that alternative rewards such as career development would depend on the

level of job that you were in. Bill said that 'the more you earn the more likely you are to not need money as much' therefore people on less money would prefer money. Rachael said that she thought flexitime would be of benefit to some people, for example parents but not of much value to others if they did not have the same commitments.

Managers thought that flexible benefits would be too cumbersome to implement and that most people would just prefer the money. Bill said that he thought that if people were given a choice between benefits and gross salary they would pick salary every time. Dave agreed and said that when people tell you their salary they always tell you their basic wage not the value of their whole package. When it was put to them that even though they consider recognition a reward, they seem to think that their employees would see reward as purely financial; the reason for this was that they think that at different levels people have different expectations. All other respondents thought that a flexible benefits package would be a good idea and that this would cater to the individual employee needs.

With regards to taking a pay cut or sacrificing salary now for the prospect of earning more money at a later stage nearly all respondents agreed that they would. However some people would only do this with a guarantee. The people who were most concerned about the guarantee were the managers and the people involved with sales. Geraldine, Donal, Norah, and Alison all said no that they would not sacrifice pay for opportunities further down the line. Alison and Donal both said that they felt they were doing that already and that they were at a stage in their lives/career where they needed the money. The operatives also referred to having taken a pay cut in the previous couple of years due to less overtime but they said that they would sacrifice pay now for more pay at a later stage.

When questioned about it, Bill said that he would take on more duties for job security and strengthening your position within the company but he would still expect something further down the line.

Equity

When asked if they were paid fairly for their performance the administrators all said yes except Alison who felt that she was underpaid as she had taken on more responsibilities and a new role and had not been given a pay rise to reflect this. The operatives all felt that they were being underpaid as their net pay had reduced considerably over the last couple of years because they were not getting the same overtime that they used to. The Sales Representatives all felt they were paid a fair wage for their performance. The senior manager thought that he was paid fairly.

It was the middle managers who unanimously felt that they were underpaid for their performance and Rachael went as far as to say that it is human nature to think you are worth more. Bill said that 'if you asked every worker if they thought they were paid enough, 99% would say no'.

The question was then asked, do they think that their employees are unhappy with their salaries? The managers said that their employees were not happy with their salary. Although Geraldine said that she felt her employees were happy because people who have left are now on less money than they had earned previously and her employees were just glad to have a job. So they are not looking for pay increases but are thinking about whether they will achieve bonuses this year. Bill said that they may not be unhappy with what they are paid but they believe that they are underpaid.

In relation to other organisations the interviewees mostly felt that they are paid fairly, a few people felt that previously they were underpaid or could have gotten more if they moved but presently they were being paid the market rate. The operatives who thought that they were underpaid in general said that they were paid 'middle of the road' in relation to other organisations. However the managers all thought that they could get more money if they moved. This was not necessarily their opinion regarding their basic salary but on the whole benefits package being better in other organisations. According to figure 1 on page 33, most people are either at or above the average salary for their job. Of the four people who are paid below the job holder average, only one person thought they were below the external market average.

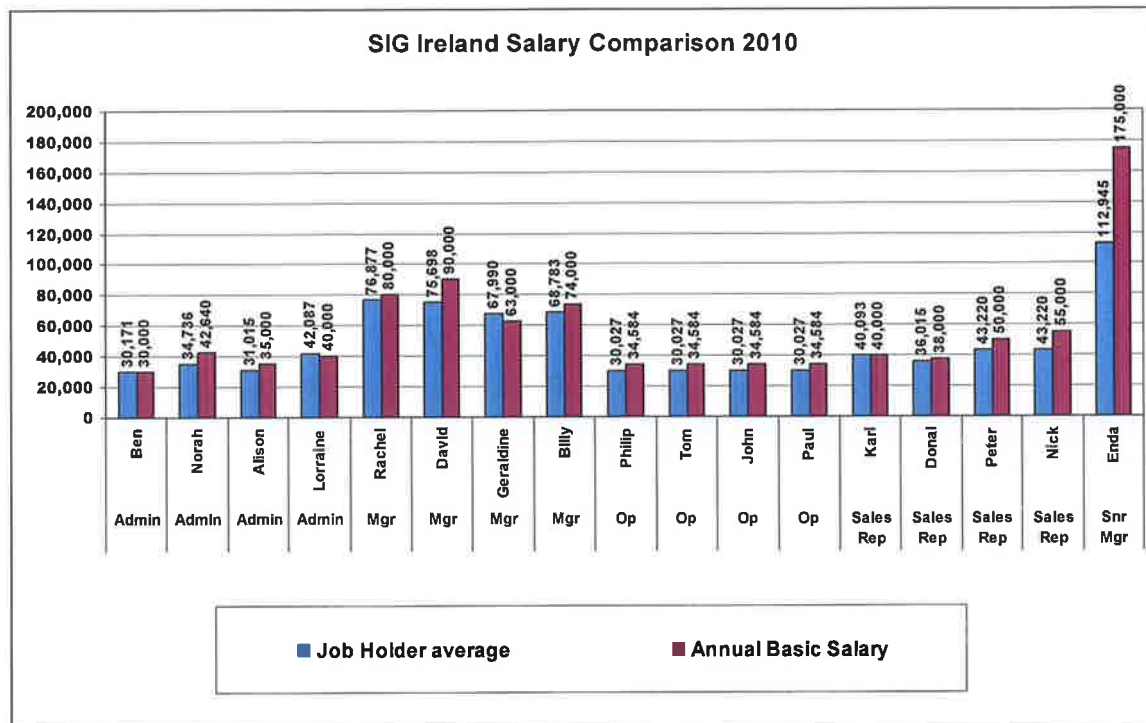


Figure 1. Source of data: Towers Watson Wyatt and SIG Ireland

When asked the same question in relation to internal equity, most employees didn't know what other people were on and didn't want to know, but the people who gave an opinion thought that there were certain people who they thought were grossly overpaid and didn't deserve it and on the other hand there were people who were on less money and deserved more. Managers Rachael and Geraldine felt they were underpaid for what they do in relation to people that they manage. Bill said that you should be paid for what you do and that 'set pay scales are grossly unfair because they discriminate against the better people'. Though Dave felt that was more about managing your employees and that they should all be at the same level of work if they are at the same level of pay.

The administrators and the managers thought that you should get an increase to cover the rate of inflation, but did not think that your salary should be adjusted for deflation. Norah pointed out that with the new levies employees were down anyway. Geraldine said that you should get inflation anyway and if you are performing you should get extra but if you are not performing then you shouldn't get any increase. Dave suggested that "doing your job keeps you at the cost of living." Rachael thought that managers should be able to give discretionary amounts so in a team if the annual

increase is 5% one person who is out performing the rest of the team gets 8% and a person who is underperforming gets 2% and the average for both is the 5%. However the operators and sales representatives all thought increases should be performance based and increases used as an incentive.

Motivation

The question 'what motivates you?' gave conflicting responses from people. The sales representatives and people with sales backgrounds said that it was targets, success, winning, recognition, money. The administrators however said that they would have a certain level of money that would be acceptable after that it would be acknowledgement, achievement, recognition, challenging and stimulating work and environment, knowing that you are making a difference. For the operators the motivating factor for them was as simple as liking what they do and the job itself. The managers referred to loving what they do and having a sense of achievement, work ethic, social status. So money was important but it was the job satisfaction and public perception of their success that motivated them. Geraldine said that "there are parts of your job that you like and parts that you dislike and the parts that you like are what drive you." They felt that what they did was of personal interest to them as an individual, whether it was working with numbers or trucks or money. Although when asked if money motivated them, they said that it was a contributing factor, that you should feel that you are being looked after. The managers also referred to loyalty to the company as being a motivator when asked why they said that over the years the company had been good to them, there were times that the company did not deserve their loyalty but they took the good with the bad and looked at the overall picture.

It was interesting to note though that when the managers were asked if they thought their employees would be similarly motivated, they said no that their employees would be more money driven than them. Though having interviewed some people who reported to them, this was not the case. Geraldine suggested that it wasn't money that motivated her team because they are not getting any, when asked what was motivating them she suggested that it could be team spirit. However the senior manager when asked the same question said that for some, it is all about the money and for others it is happiness in what they do and that the majority of his employees would be in the latter category.

When asked what was more important satisfaction with reward or satisfaction with the organisation most employees said that being happy with the organisation was more important, for reasons such as relationships and comfort. Bill a manager said that there was no point in feeling like you have done a good job if you are a pauper so that there has to be a level 50/50. Donal a sales rep said that the reward was more important that he didn't mind who he worked for but he wanted a decent reward for it. Although few people when asked what motivates them said that it was money, in later questions it became apparent that money was very important to some of them. John an operative said that it was the organisation that was important to him and "that a happy worker was a productive worker". Nick a sales representative also referred to happier workers being more productive. Philip an operative also said that coming in to a job that you didn't like would be torture.

Out of all the respondents only 2 people interviewed felt there were opportunities to develop within the organisation and both of these people were sales representatives. However the other respondents said that they had opportunities to develop their skills and to develop personally but not their career. They all said that they would like opportunities but did not see many arising in the near future. When asked if this affected their motivation levels, Bill replied that 'just because there are no opportunities to progress did not mean he has done everything' implying that he can still develop just not in his career. Geraldine said that she is responsible for her team and that is what keeps her going. Dave said that any development that he does he has to push for it, that it is never offered. The administrators said that people stayed with the organisation due to the recession and that as soon as the labour market improved a lot of people will leave in order to develop their careers elsewhere. When the managers who believed that they were underpaid in relation to the external market, why they did not leave and move to an organisation who was competitive in the external market, the reason that they gave was loyalty to the organisation. When asked if the organisation always deserved that loyalty Geraldine said that it did not but you took the good with the bad and overall it was good. She said that as long as she felt that she would be looked after when things improved she would stay.

Recognition

Recognition was noted as being an important motivating factor but the majority of interviewees said that they never receive any form of recognition from their boss. Alison was the only administrator who said that she felt that her work was recognised by her manager, informally at meetings. Norah said the only time she got recognition was when she asked for it and then her manager told her that if nothing was said that meant she was doing a good job. Lorraine said that there is very little communication or feedback on anything I have done, which can be very de-motivating. Ben suggested that from management recognition was not forthcoming but that you do get recognition from your colleagues or from customers. The operatives were very definite about management's lack of appreciation and felt that their work was never recognised. The sales representatives all felt that their work was recognised except Paul, who when asked if he felt his efforts were recognised by the company he said 'no none at all, it is purely about sales, I don't think anyone cares as long as you get the sales in... it is so tough at the moment you need something to keep you going and you just don't get it from the organisation'. Paul also said that he feels that the only recognition he gets is from the customers and that this is what keeps him going. This could mean that if the other sales representatives are reaching their targets they may feel that this is recognition.

The senior manager said that recognition 'would be nice but it doesn't happen and it doesn't necessarily discourage me', though he did think that it is important that people and their work are acknowledged. A sales representative who works in Enda's division said that they do get recognition a lot of the time.

The managers all felt that their work was recognised and agreed that it is nice to get recognition. Rachael also said that if you are doing a good job then nothing is said so that it is probably 'inverse recognition'. Bill said that it was uncomfortable getting praise as a grown man but that when his name was mentioned in the recent news letter that it did give him a sense of pride. However when asked if they gave recognition to their employees Dave said that it depended on the person some people need to be 'shaken' as opposed to recognised. Geraldine said that she would give them recognition but at the same time she would push them to do better the next month.

Bill also felt that by publicly recognising or singling out an employee for praise that this would de-motivate the other employees. Even though he had appreciated it when he was publicly praised, he did not think it was a good idea. When he asked if he thought that it would not be more important to motivate the good performers than the weaker performers, he said that you should recognise the whole team, he thought that praising people in private is sufficient. Geraldine suggested that promotion was public recognition of your abilities by the company. Bill was still adamant that it had to be balanced with being productive for one person and counter productive for others. Ben however said that public recognition would be 'great for motivation and help people to work as a team. All of the administrators, sales representatives and operatives thought some form of public recognition would be a good thing.

Geraldine also suggested that any recognition initiatives should be inclusive, to 'include the warehouse and back office, the people who never get a mention'. Dave said that his direct boss will do something like give you a bottle of wine to show he appreciates you and that that is enough that it doesn't have to cost much. This was a sentiment that was expressed by all respondents that 'a thank you didn't cost anything'.

The CIPD reward management survey found that 41% of employers operate a recognition scheme which has increased by 9% since 2008 and 30% operate non cash incentive scheme which has increased by 14% since 2008, this may be as a result of the poor economy and employers having a limited budget for cash incentives. So employers are starting to recognise the benefits of non cash incentives.

None of the respondents felt that the company performance appraisals were sufficient for development or recognition. They either had said that they had not done one or if they had it was just a time wasting, box ticking exercise. They did however think that if done properly performance appraisals or reviews could be used for recognition and development. The senior manager felt that as you progressed through your career there was less need for performance reviews. The managers thought that the appraisals were not of use because they had not been followed up on by their manager, but some of their employees had not even had theirs yet, 6 months later.

Communication

When asked did employees think that they were aware of the full reward package available to them most of the employees said that they were, however when asked about what they saw as reward very few of them mentioned the actual benefits that are available to them. The managers including the senior manager felt that employees would not know what their full reward entitlement was or what rewards were available to them. They also said that a lot of employees don't necessarily understand how the reward is of benefit to them. It is also interesting to note that in the CIPD Reward Management Survey 2010 only 49% of respondents knew the size of their total remuneration spend and of those that do most were unable to break it down into fixed pay, variable pay and cost of benefits. This would show that employers are not necessarily aware of the full cost of benefits to the organisation. This would imply that they do not necessarily place a value on certain rewards. Therefore if management do not recognise the value of rewards the employees will most probably not either. Norah who would be a supervisor thought that employees should not be encouraged to avail of alternative rewards as she thought of them as maternity leave and sick leave or force majeure and from her perspective it would make her job harder.

A common theme that was noticed was that employees have to ask for opportunities or rewards. Alison said that she had to ask for education assistance and Lorraine agreed that you are nearly made feel bad for asking for it.

All the administrators, operatives and management said they had lost trust in management and did not feel that management had their best interests at heart. This was mainly due to the redundancies and the pay freezes over the last few years. However the sales representatives said that they did think people had trust in management as much as you could, when considering the recent situation, Donal said that it was their decisions that he didn't trust rather than them. Rachael also said that people trust their direct managers but not management in general.

When asked if an alternative reward had ever been offered or suggested to them, such as time in lieu or even a small gift, all the respondents said no. The interviewees all

believed that anything small would be appreciated. The managers had mixed opinions of whether their employees would appreciate them or if they would forget about them (holidays) once taken. They said though that they would appreciate them but again felt their employees would be more interested in money and alternative rewards would be too difficult to manage. The senior manager was more positive about alternative rewards and said that he would support any initiatives 100% and he would be open to trying anything that would work within the parameters imposed by the business. He said that with regard to reward he felt that the organisation was always on the back foot and was very poor at looking at alternatives. When it was suggested that as the organisation had relied so heavily on bonuses and large annual increases in the past that they had done very little to replace them and people needed something, he agreed and said that “something needs to fill the void and you won’t financially fill it certainly there are opportunities to make up some of the ground to help or encourage people to feel a little happier.”

Findings

Reward

In relation to employees understanding of reward, the author found that most respondents had a fair understanding of what the term meant although some people expressed it better than others. Most employees thought reward included both financial and non financial rewards. This showed that although they did not understand the term alternative rewards or recognise them, this did not mean they did not understand the concept. The senior manager referred to reward as a 'holistic approach' this would be more in keeping with the total reward concept.

All employees thought that the introduction of flexible reward packages would be seen as a benefit in itself and were very enthusiastic about the concept. However middle managers were cynical about this as they seemed to think that employees would not appreciate it and it would be too difficult to manage, however they did agree that employees have different needs and these change throughout their career. This is the underlying basis of the concept of flexible benefits so I think that they just find it, 'very cumbersome' as described by Dave.

Equity

The author found that employees had mixed opinions regarding whether they were paid fairly and most employees did not want to know if they were paid in line with other people within the organisation. The people who did know thought that there were people in the organisation who were overpaid for what they do and that there were people who were underpaid for what they did. The author also found that managers believe that most employees are unhappy with their salary and employees think that they deserve more.

The author also found that most of the people interviewed were all paid at least the average salary for their job when benchmarked, however some people still believed that they were underpaid in relation to other organisations. This would be in agreement with the equity theory; the people who were unhappy with their reward package were either people whose salary had reduced though they were still doing the same job or people who had taken on more responsibility without a pay rise. The

managers were unhappy with their salaries because they all believed they would get more in another organisation.

Motivation

In relation to the subject of motivation, the author found that most people at all levels said they were motivated by intrinsic factors such as; challenging and stimulating work, loving what they do, wanting to make a difference, and recognition. The people who said that it was money that motivated them, were all from a sales background, but they also said that it was the sense of winning or achieving their targets that motivated them, this would be in keeping with the expectancy theory in that it is the association between the performance and the reward or outcome that is motivating not necessarily the reward (Lawler 1996).

The author also found that the managers even though they said that they were motivated by intrinsic factors, they were the most vocal about not sacrificing their financial reward for the prospect of earning more in the future. Where as employees at the lower levels were more willing to sacrifice their salary now in favour of higher earnings at a later date. The managers seemed to think that their employees were more motivated by money although the lower level employees involved in the research said that it was not money that motivated them. This would be reflective of the operant conditioning theory and managements use of it to motivate employees (Strickler 2006).

The author also found that employees at all levels thought that you should be rewarded in accordance with your performance but that you should still get an annual increase in line with inflation regardless of your performance. So the minimum that you get is inflation and then you get more for higher performance. Most people did refer to money as being important and this would be reflective of Herzberg's dual factor theory where money is a hygiene factor.

The author found that peoples attitudes to their development was suggestive of the Herzberg's' job enrichment, all respondents wanted opportunities to develop except one person who was near retirement but he thought that it would be beneficial to other people to have the opportunity. Even if they are not developing their career they felt

that developing personally or developing their skills was a benefit. The respondents attitudes to the organisation was more in keeping with the self determination theory and most employees felt that being happy with the organisation was more important than being happy with their reward. This was down to the relationships formed, and job security in the current environment etc. Some people also expressed a sense of obligation or loyalty to the organisation and that was what motivated them or encouraged them to stay even though they did not feel that they were currently rewarded appropriately but felt that they had been in the past and expected to be in the future. This reflects Cooper and Jayatilaka's (2006) findings where employees will stay for reasons of obligation motivation as long as they find the reward reasonable.

Recognition

In relation to recognition all employees thought that it was important to receive recognition from their manager, but most employees said that they rarely or never received any recognition. They have to rely on other sources such as customers for recognition of their work. The interviewees said that anything even a thank you is better than nothing and that the lack of recognition or feedback was de-motivating. None of the interviewees thought that performance reviews were of use to them and that management did not use them as a tool for recognition or development. This was suggestive of Herzberg's (1974) belief that feedback is crucial to development, but that it should be instant and not left until the annual performance review.

The author also found that managers, although they appreciated recognition of their own work, they did not think that it was a good idea to publicly recognise an individual's performance as they felt that this would de-motivate the other employees. However this is the opposite of what Nelson and Spitzer (2007) recommend that by rewarding all employees you are de-motivating the high performers, and giving the wrong message to the poor performers by not demonstrating what level of performance is valued by the organisation.

Communication

Most employees felt that they were aware of the full extent of the reward package and what it had to offer, but when questioned further most of the rewards they mentioned were only the rewards that they thought of as traditional rewards. Nobody mentioned

training, development, the provision of the annual flu vaccine or even social events such as the summer or Christmas parties. This possibly was largely down to people's lack of understanding the benefit or that people mistook benefits as legal entitlements, there was confusion as to what was actually a benefit.

Also management's lack of promoting the rewards or their own lack of understanding the needs of their employees prevented employees from being made aware of the full reward package available to them. As Bell (2000) says 'shop floor workers' often don't recognise rewards, so it is the responsibility of management to educate them in order to make the most of the reward system. However the author found that managers seemed to think that their employees were paid enough and this showed their own lack of understanding of alternative rewards or that they are viewed as a benefit by their employees.

With regards to alternative rewards that have been offered, no employees felt that this had happened recently. The author found that the senior manager was enthusiastic and would encourage the implementation of an alternative reward initiative but the middle managers were yet again reluctant to agree that it would be valued by their employees. This is possibly due to the fact that the middle managers would be the people who have to actually do the work that would be involved in implementing a new scheme if say it was career planning or coaching, or also it may be because they believe that people would prefer the money and therefore they are wasting their time.

Conclusion

In conclusion based on the findings it would appear that employees do feel that they are rewarded fairly in relation to the external market. However employees that have had to take a pay cut or employees who have taken on more responsibility do not necessarily believe that they are rewarded equitably in relation to the external market. Although they do acknowledge that during the current economic climate that job security is a factor that will prevent them from leaving the organisation. All employees said that you should be rewarded in accordance with your performance; therefore this would explain the belief that their salaries are now inequitable as they do not see their performance being rewarded accordingly. Employees do feel that the organisation is competitive with the external market though this may not be enough for employees to remain with the organisation when the external labour market improves, this may be due to the lack of recognition and the lack of addressing their need to feel valued by the organisation.

In relation to motivation factors it was observed that at all levels within the organisation, employees referred to intrinsic factors that motivated them to go the extra mile. It was satisfaction with the organisation and the relationships within the organisation that were more important than satisfaction with reward. This was contrary to the preconceptions of the author, as employees at lower levels were expected to have been more motivated by reward. However the middle managers although they stated that it was intrinsic factors which motivated them, they were the people who were most concerned with money and most reluctant to sacrifice reward for development. The managers also seem to believe that their employees were only interested in money or extrinsic benefits.

Recognition and feedback were appreciated at all levels but employees did not believe that performance reviews were used for this purpose. What was surprising was that managers did not value performance appraisals and felt that they were counterproductive. Even though they valued feedback, and suggested 360 degree feedback would be of benefit they did not think that the performance appraisals could provide this. They also did not think that employees would appreciate public recognition even though the employees at lower levels said that they would appreciate

any form of recognition. All employees said that they were dissatisfied with the levels of recognition received from their managers and this was a factor that affected their motivation levels.

The author found that the research question was answered as follows; financial and personal circumstances will determine employees' openness or willingness to adopt or accept a system of alternative reward as opposed to the traditional, once the hygiene factors have been achieved then the intrinsic factors may be looked at. In the absence of financial rewards, alternative rewards are acceptable but only if employees believe primarily that their financial reward is equitable. Employees do value alternative rewards once they are aware of them but they do not necessarily recognise them. This may be down to lack of understanding or lack of promotion by the organisation. Employees were most enthusiastic about the concept of flexible benefits where they could pick and choose the benefits that would suit their individual needs. Managers did not see the point in this as they thought 'just give them the money and then they can buy what they want'.

In most areas the research was found to agree with previous research and theories however the problem or the gap in the theory that was found was down to the middle managers perceptions of the needs of their employees or rather their lack of understanding or attempt to find out what their employees actually want in relation to their reward package. This will impede any alternative reward system from being successful as if managers don't believe that their employees will value alternative rewards they will be reluctant to promote any initiatives implemented by the organisation. This may have been down to a lack of understanding of alternative rewards and the fact that they are conscious of cost or rather cutting costs and may not see the benefits that the organisation can gain in relation to low cost reward initiatives. They do not see them as being of value as they do not believe their employees will.

Recommendations for further research would be to ask; why do managers have so little interest in the needs of their employees? It is their job to manage the resource and to get the most out of that resource, so, is it not in the interest of the organisation to find the most effective way to develop and utilise that resource. Also to ask why

they think their employees are motivated by extrinsic factors, mainly money, rather than intrinsically motivational factors.

Recommendations for any organisation considering implementing alternative rewards would be, that it is vital that middle managers are educated about the benefits of recognition and alternative rewards and that they buy in to it. Employees will not recognise alternative rewards if they are not explained and communicated to them properly. Without middle manager's commitment to the process it will not work, as they are people who will be promoting the initiatives locally. Especially in a multi site organisation this is vital as senior management or Human Resources may not have as much influence on employees as they do not have the same relationships that their direct managers have. Alternative reward strategy is in turn, also important for building relationships between managers and their employees, as employees will feel that their work and their contribution to the organisation are valued and respected.

The most important aspect of any alternative reward strategy is that it is relevant to the employees in order for them to see it as a benefit. Therefore simply put it is necessary for management to ask employees what they actually want; this is the basis of having respect for employees and their opinions. This will also encourage them to avail of the alternative rewards because they will have chosen them. In order for reward to motivate or improve performance, the reward must satisfy the extrinsic and external needs of the employees. Lebby (1993 p.42) suggests "Money is an outcome of high performance. Satisfaction and respect are incentives to it."

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Appendix

Administrators Interview Sample

HC: What do you understand by the terms reward?

BA: I am not sure if this is correct but a benefit is something that you are contractually entitled to and a reward is something like a bonus that is outside your contract, something additional.

LM: VHI, Pension

NC: Company car, phone

NC: Reward is what you get when you reach a target and you get a €100 bonus.

HC: So you see reward as a bonus, or purely financial?

BA: Not necessarily, it could be time off

LM: It could be verbal just a well done.

HC: Would you consider alternative reward such as coaching, career development, work life balance policies, employee well being, educational assistance, flexi time, term time, career breaks, benefits or of value to you?

All: Yes, definitely

LM: Yes it would be great to be able to work up hours to take extra time off or to be able to take a career break especially in the current climate.

AF: Every little counts, people have different lifestyles and have different needs, so some would be of more benefit to some than others.

HC: Would you be prepared to substitute financial reward now for the possibility of higher pay later? Would you be prepared to take a pay cut now if you had the opportunity to earn more later?

AF: I am doing that at the moment working as a accounts assistant because I know it is going to benefit me later. Also I have the benefit of my college fees being paid.

HC: So would your college fees being paid be a reason for you stay in the company.

AF: Yes definitely, that is worth a couple of thousand extra a year.

HC: Would you be prepared to take a sidestep involving a pay decrease, to potentially earn more money?

NC: No

BA: It would depend on what the time frame was and how strong the possibility would be to earn more further down the line.

HC: So it would also depend on your current financial situation?

BA: Yes if you could afford to take a pay cut.

HC: So if you could afford it within reason and you were guaranteed higher pay in the future would you accept it?

All: Yes

NC: If you had it in a contract.

LM: And certainly in this environment you would consider it.

HC: Do you think you are paid a fair wage for what you do?

LM: Yes

BA: Sure

NC: Yes

AF: Well I say no because I have been here 4 years and I have only had one pay rise and I have moved positions and taken on more responsibility. But I know that it is because of the current situation but I don't think I am being paid a fair wage.

HC: Do you think that you are paid in line with other organisations?

AF: Now I think we are.

LM: A couple of years ago no, we could have moved and got more money but the way things are now, you are afraid to move and the salaries are definitely lower

NC: Yes I think that we are being paid ok compared to other companies, we haven't had to take a pay cut.

BA: Well I haven't been looking but I would say it is fair enough.

Do you think that you are paid in line within the organisation? If you consider what other people are potentially on that you are paid fairly in comparison?

NC: I think that there are people who maybe came in during the boom and are on a higher wage, because of the timing that they came in.

AF: I would agree with that

Managers Interview Sample

HC: What do you understand by the term Reward?

BS: Pay for achievement

RC: Recognition of achievement, not just pay but recognition for what you have done

DF: Yes

GF: I would see it as what you get for doing more than is expected from you

HC: Would you consider Reward to be financial or non financial

DF: It is a combination of everything

RC: It is the whole package

HC: Would you consider alternative rewards such as career development etc. of benefit? Non monetary rewards?

All: Yes

HC: Do you think your employees would consider them of value?

RC: It depends on your situation, for example Gina and I have got kids so for us flexibility is a great benefit to not have to do 9 to 5. But for other people who don't have those commitments it may not be as big a benefit to them.

DF: It depends on where you are in your career

BS: yea it depends on the level of the job you are in as well, it makes more of a difference to your outlook, the more you earn the more likely you are to not need the money.

HC: Would you be prepared to substitute financial reward now for the possibility of higher pay later?

GF: No, how later.

RC: Well not in the current circumstances because there have been no other increases or anything like that.

HC: If your manager said I can't give you a pay rise but we will promote you and when things improve we will make it up to you?

DF: Only if there was a formal agreement, but not if it was just a nod and a wink.

RC: If you get it in writing as an IOU

HC: Would you be willing to take the opportunity without pay even if it improved your chances for greater pay further down the line?

RC: Not unless you had it in writing that you would get it when things improved.

BS: Because your manager may not be your manager when that time comes.

RC: Exactly

HC: What if say you are an accountant and you are made a financial controller, you are not being paid any more but you can go to another job in another company and get higher money there?

RC: The title is important, I actually did that in my previous job, I was doing the work anyway so they were not going to give me a salary increase because I wasn't taking on more responsibilities but that was how I got my job here

GF: Not without a salary increase

BS: Well if you are doing what you are doing anyway and it is just a change of job title then it doesn't really make a difference anyway but if you have more responsibility or different tasks, there would be the expectation that there would be financial reward

GF: You would obviously expect some financial gain.

BS: There would be some level of compensation whether it be in time.

HC: So really it is the compensation and not the recognition?

DF: It depends on the stage of your career as well

RC: Well I suppose because people haven't had an increase and the market level has dropped so you could be doing a job at a higher level without an increase and then move jobs and be on 10k less because of the state of the economy, you have to look at it in terms of the whole economy.

BS: The other thing is also that if it strengthens your job security that is something to take into consideration too.

HC: So would you be prepared to take a salary sacrifice for career prospects?

BS: Yea, Yea but there is always going to be consideration because you are never going to do loads more for nothing, whether that is a case of strengthening your position within the company, if that will keep you in a job or advance you somewhere down the line, it would be acceptable, so you are not just taking on a job and there is nothing for it.

HC: Do you think that you are paid a fair wage for your performance?

BS: No Nobody does.

Operatives Interview Sample

HC: My first question is what do you understand by the term reward?

TP: In the work environment?

HC: Yes

TP I would see reward as in maybe promotion, time in lieu, paid overtime!

HC: So it would be a mixture of different things?

TP: Yes

HC: Would anyone have any other ideas?

PM: No

JM: No.

RS: Not really no

HC: Would you consider alternative reward such as coaching, career development, flexi time, extra holiday, term time, paternity leave as a benefit or of value?

All: Yes, definitely

HC: Would you be prepared to substitute financial reward now, for the possibility of higher pay later?

TP: If it was a guarantee, I definitely would?

All: Yes

HC: Do you think you are paid a fair wage for what you do?

PH: Not at all

HC: Do you all agree with that?

All: Yes

HC: Do you think you are under paid?

TP: Ever so slightly

JM: Considering what we were earning this time last year compared to now, doing more hours more work, for less money. But we have to do this now but it won't be like this long term.

HC: Do you think that you are paid in line with other organisations?

PH: There are a few differences over the years.

TP: But we are on a fairly different rate for our industry.

HC: So you don't think you are underpaid in comparison to other companies in the same industry?

All: No

HC: Do you think you are over paid?

TP: No.

HC: So you think it is about average or slightly above average?

TP: Depending on the business, different industries are paying different rates for drivers.

PH: The basic is poor but the overtime builds it up.

HC: So compared to other organisations?

TP: Yes we are fairly middle of the road.

HC: Do you think that you are paid in line with other people within the organisation?

PH: We wouldn't know.

HC: Do you expect an annual increase regardless of your personal performance?

TP: No not if you are not performing, if you are doing the required and a little bit extra, you definitely should get. It should be based on your performance.

PH: Yea of course.

RS: It is an incentive.

JM: You are making the company a lot of money every year, you would like to see some sort of a return.

HC: Do you think all employees at all levels should be allowed negotiate an individual reward package? For example: one employee may value a pension where as someone else may value a flexi time and you can pick the benefits that suit you.

All: Yes.

JM: It would be nice to have different options.

Sales Representative Interview Sample

HC: What do you understand by the term reward?

PR: Rewards are given for high performance not necessarily money, it can be other things as well

HC: Would you consider alternative rewards such as coaching, career development, flexitime, career breaks, term time, as of value to you?

PR: Yes they would definitely be of benefit

HC: Would you be prepared to substitute financial reward now for the possibility of higher pay later?

PR: Yes, I think we are doing that every day

HC: Do you think you are paid a fair wage for your performance?

PR: Yes

HC: Do you think that you are paid in line with other organisations?

PR: Yes

HC: Do you think that you are paid in line with other people within the organisation?

PR: Not sure but I hope and think I am

HC: Do you expect an annual increase regardless of performance?

PR: No it should be based on performance, it should be for a reason if you are given an increase. I suppose for inflation but if it goes down I don't want a decrease, we were all shouting for increases when it goes up but no one gave it back in the last few years. It should only be based on performance

HC: Should all employees be able to negotiate and create their individual reward package, for example should you be able to substitute one reward for another depending on its value to you, say swapping VHI for childcare vouchers?

PR: Yes definitely, because if you are young free and single all you want is money but me being a father other things are now important such as additional leave

HC: What motivates you?

PR: Doing my job to a high level, giving high level of customer service, winning orders. It is the winning, and if you don't win you won't have a job for very long, now I suppose it is job security. I have seen reps go after 6 months or a year in the last few years and I don't want to be in that situation

HC: Do you feel the reward system in SIG motivates you?

PR: The basic salary motivates you at the end of the month, but the bonus doesn't because it isn't achievable at the moment. Even when times were good we didn't get what we should have. I joined SIG for opportunities to develop within the company. Career progression is why I joined and it hasn't happened, but that is what I want.

HC: Which is more important, satisfaction with your reward or satisfaction with the organisation?

PR: Satisfaction with the organisation, when things were good I was promised loads of rewards and it was long term plans that I thought it would be better than what I was on when I started. Things are different now though

HC: Do you feel you have opportunities to develop within your current role?

PR: No not at the moment., and that is definitely frustrating, it is all down to the figure if you are not bringing in that is it, if you are good at sales that is why you are staying you are just being used to sell, at the end of the day it is the bottom line. If things change people will be leaving due to current situation.

HC: Do you think that your efforts are recognised by the company?

PR: No, none at all. It is purely about sales. I don't think anyone cares as long as you get the sales in. I don't think the company are any good at recognising, some people are recognised I suppose but They don't understand what it is like to go out and sell today. They are prepared to take on new people than give people within the organisation a chance, we are not really consulted any more about stuff. Selling today is so hard and there is no opportunity to even win the deal, in May there were only 22 new houses being built in my area so that means that you have at least 9 merchants trying to get that business, it is so tough. You need something to keep you going and we just don't get it from the organisation.

HC: So where do you get it from?

PR: I suppose you just have to keep going, you get it from satisfaction from the customers or the people that you work with in the organisation

HC: But not from management?

PR: No

HC: Would you consider other forms of recognition other than financial reward as important?

PR: Yes, stuff like the Management Development Programme was welcomed, being allowed do courses and developed within the company would be important to me but all that seems to have stopped

Senior Management Interview Sample

HC: What would you understand by the terms Reward and Benefits.

SM: Well I suppose I would feel that I work with a team of people, each one is integral to the success of the company or an organisation. So an interest being taken in the people but not in an intrusive way. Their welfare, their well being, their contentedness and happiness within a job. And effectively praising people when they do well, encouragement, empowerment, advancement, effectively it is all about people.

HC: So it is more than just the financial

SM: Yes definitely, I suppose if you wanted to use a modern term, holistic.

HC: Would you consider alternative rewards such as career development, flexitime, extra holidays, work life balance, to you personally.

SM: Yes definitely, to me personally I think if people are happy the company gains that reward. There is no 2 ways about it, that would come back many times over, and effectively back to the team element, flexibility with people, get a little, give a little, it isn't all about rules and regulations, you must be at your desk by 8.30 and not leave until 5.15 and all of that carry on, it is not about that at all. It is about what people put in to it and what they get out of it. To be flexible with people, rewards in regards to time off, understanding of people, understanding of difficulties that they may have and to be able to accommodate those difficulties that people have whether they are personal or work related, coaching I think is terribly important, I think helping people and to enlighten people and staff as to best practices and the way it should be done. I am not to say that I am the be all and end all but all I can do is share my experience with people and that is all about working with people, whether it is customer or staff, it is about how you interact with people on a day to day basis and I think that carries the whole way through any business whether it be the customer staff or suppliers and I have always believed it is a triangle.

HC: So taking a personal interest in people

SM: not in an intrusive way, but taking an interest in them and the job that they are doing and again encouragement in regard to advancement, in regard to teaching, education, additional courses, anything that facilitates those people to advance, in that job or on to another job and I suppose the adage that I have always held in regard to any staff member and I know that we have recently gone through difficult times, I have always believed that if you are not happy in a job or the day that you wake up and can't be bothered to get up and go in to work today, that is the time to move on. Unless you are happy in the job there is no point in doing the job.

HC: Would you be prepared to sacrifice financial reward now for the opportunity to earn higher pay at a later stage?

SM: For myself personally, I would certainly consider it.

HC: Do you think you are paid a fair wage for your performance.

SM: I would say I am paid reasonably well for the job that I do.

HC: Do you think that you are paid in line with other organisations.

SM: I would imagine so I haven't actually looked at it but I would imagine that I am.

HC: Do you think that you are paid in line with other people within the organisation?

SM: I wouldn't say that I am overpaid and I could possibly be underpaid but it doesn't really bother me.

HC: Would you expect an annual increase regardless of your performance?

SM: I suppose the reward in the past has been bonus related and that has been based on the performance of the company and the division that I am responsible for and realistically I understand the way things are that I will no longer get those bonuses and therefore I am quite content with what I am doing at the moment and the remuneration that I receive

HC: Should all employees at all levels be able to create an individual reward package? What I mean by this is should employees be able to substitute rewards that are of no benefit for rewards that are of benefit.

SM: Yes that is a very good idea, I have always said there are many ways to skin a cat. If time off is more important than salary, sometimes salary is more important, or company car. Given the opportunity I would certainly say package it in a way that suits the individual, for the the person you want to keep or the person you want to develop. Ok we have to work within confines and I would believe that we have to stick to that but there are many ways to reward people besides financial.

HC: Should a warehouse person be able to do that obviously you have your confines but say if you were to say that additional benefits for warehouse people should not cost more than €5000 and what ever way they want their benefits to make up that amount.

SM: I would consider it as long as it did not discommode other people, for example in a warehouse situation you need to have cover, so you can't have all staff with flexi time as the core hours may not be covered or you can't give it to one and not the other. If you could work within the parameters that are set by the business we are in then I would certainly consider it and accommodate it as best I can in whatever shape or form that that was best to do.

HC: What motivates you?

SM: I suppose I am a self motivator, I like to succeed in what I set out and I like to exceed what is required, I am a strong believer in encouraging other people to strive to better themselves. I suppose that filters all the way down and I love to see people succeed. I get a buzz out of it, I love to see people stepping outside the box.

Guideline Questions for Interviews and Focus Groups

I am currently completing my degree in Human Resource Management and as part of this I am required to write a dissertation, the subject I have chosen is Alternative Rewards. The information that you give me will be used solely for my dissertation and has not been commissioned by SIG and is in no way an indication of any projects that may be undertaken by management. Any information will be treated as confidential and if you wish to remain anonymous this will be facilitated.

Alternative Rewards

1. What do you understand by the terms reward?
2. Would you consider alternative rewards such as coaching, career development, flexitime, career breaks, term time, as of value to you?
3. Would you be prepared to substitute financial reward now for the possibility of higher pay later?

Equity

1. Do you think you are paid a fair wage for your performance?
2. Do you think that you are paid in line with other organisations?
3. Do you think that you are paid in line with other people within the organisation?
4. Do you expect an annual increase regardless of performance?
5. Should all employees be able to negotiate and create their individual reward package, for example should you be able to substitute one benefit for another depending on its value to you, say swapping VHI for childcare vouchers?

Motivation

1. What motivates you?
2. Do you feel the reward system in SIG motivates you?
3. Which is more important, satisfaction with your reward or satisfaction with the organisation?
4. Do you feel you have opportunities to develop within your current role?

Recognition

1. Do you think that your efforts are recognised by the company?
2. Would you consider other forms of recognition other than financial reward as important?
3. Do you believe that performance appraisals are a form of recognition or that they are sufficient tool for your development within the organisation?

Communication

1. Do you feel that employees are made aware of the full reward package at SIG?
2. Do employees still trust management?
3. Have alternatives to pay increases been suggested or offered to you?