

HOW DO COMPANIES REWARD THEIR EMPLOYEES

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**KTH Industrial Engineering
and Management**

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Unit of Analysis

DECLARATION

I hereby declare that this work being submitted as a master thesis is the result of my original research and that it has neither in whole nor in part presented for another degree elsewhere and that reproduction of this thesis in part or in full is strictly reserved unless authorized by the author and the parties associated with this work, herewith under a written agreement.

DEDICATION

I dedicate this work to the Almighty God for his caring and unfailing love he has bestowed on me during this two-year study period of the International Master in Industrial Management program (IMIM).

I also dedicate this work to my family and all my colleagues who had been around to offer support and encouragement throughout the period of this master thesis writing.

I also dedicate this work to the entire staff of Golden Star (Bogoso/Prestea) Limited for their willingness and contribution in making this questionnaire survey in the company a great success.

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ABBREVIATIONS

GSB/PL: Golden Star (Bogoso/Prestea) Limited

GEN X: Generation X

GEN Y: Generation Y

MGT: Management

ABSTRACT

This study is unique considering the location (Africa) and the industrial setting (Gold Mining) from which the research was studied as reward systems had mostly been studied in the North-American and European settings. Thus, the study considered rewards from the perspective of the African and its natural resource industries such as the gold mining industry.

The methodology employed in the study was based on a case study approach at Golden Star (Bogoso/Pretea) Limited (GSB/PL) with a population size of 1029 employees combining both qualitative and quantitative data obtained through a questionnaire survey of a 278 sample size and structured interview with the Human Resources and Administration Manager. Thus, the method of data collection represents methodological triangulation and the data obtained from the study represents a primary source of data.

The study revealed that all the three generational groups (Baby Boomers, GEN Xers and GEN Yers) places higher emphasis or priority on financial incentives (high salary and bonuses) over any other incentives when respondents were asked to indicate the reward they prefer most. But when rewards were considered as a total package profile, greater number of the baby boomers placed more emphasis or priority on packages with highly flexible pension benefits, long term job security and high internal promotions eventhough the salary and bonus components of the packages (profile) were not that attract. The GEN X and GEN Y groups still maintained their reward package profile preferences based on high financial incentives, training and learning opportunities, personal growth and career advancement.

The study revealed that aside the high preferences for financial incentives such as high salary and bonuses by all the generational groups, few of the GEN X and GEN Y also exhibited other preferences such as high personal growth, flexible work schedule, attractive company policy and administration, career advancement, working environment, job security and praises and recognition of which the baby boomers did not indicate any preferences or interest.

The study revealed that all the three generational groups (Baby Boomers, GEN X and GEN Y) consider high salary and bonuses as factor which causes employee dissatisfaction when not satisfied or available but when they are satisfied or available also do not motivate or cause satisfaction and thus confirming Herzberg Two-Factor theory that factors such as salary or remuneration, job security, working conditions and company policies only prevent employee dissatisfaction.

The study revealed that all generational groups (baby boomers, GEN X and GEN Y) consider high salaries and bonuses as factor which could lead to lack of satisfaction and motivation of the employee in his current role or position when not available or satisfied

and thus this finding confirm the traditional belief that pay is prime, or in some cases the only source of motivation but contradict Herzberg claim that pay (high salaries and bonuses) is only an extrinsic factor and that when is available or satisfied, pay does not bring satisfaction and motivation but rather prevents dissatisfaction.

The study revealed that GSB/PL rewards systems basically comprises of extrinsic rewards such as high salary levels (pay increases), a bonus scheme, training and learning opportunities, job security, Stock options, Retirement/Pension benefits such as social security and provident fund, promotions, attractive company policies and administration, praises and recognition, good working environment, flexible work schedule, Long service awards and benefits such as housing, Health insurance, Vacation/Annual leave benefits, transportation/bussing service, messing (provision of meals to employees only when at work), and educational benefits (for employees dependants).

The study also revealed that the design and implementation of GSB/PL reward systems involves four distinct phases: assessment, design, execution and evaluation phases.

In the end, a suitable conclusion was drawn and a number of recommendations proposed to be implemented by the mining company in safeguarding the interest of both employees and the employer.

CHAPTER ONE

1.0 INTRODUCTION

1.1.0 Background to the study

In achieving and sustaining competitive advantage, it is imperative that organizations leverage human capital in a desired direction (Boxall and Purcell, 2003) and the key means of accomplishing this is through the incentive power of rewards (Lawler, 2000).

Rewards like baits have the incentive power and ability in eliciting and reinforcing performance and this is widely acknowledged in both economic and behavioural literatures (Bartol and Srivastava, 2002; Cadsby et al., 2007; Heneman et al., 2000; Sun et al., 2007).

According to WorldatWork (The Total Reward Association), "the total reward strategy of companies basically encompasses compensation, benefits, performance and recognition, as well as development and career opportunities"¹.

Heneman (2007, p. 3-4) defined total rewards as encompassing not only compensation and benefits but also personal and professional growth opportunities and a motivating work environment (for example, recognition, valued job design, and work/life balance)².

Fernandes (1998) describes total reward as "The sum of the values of each element of an employee's reward package."

From the behavioural management perspective, reward is a management control tool that employers use in achieving desired behaviours from their employees in the workplace. The term reward is therefore a tool for effective management in the workplace and according to Steven Kerr (2004), Chief Learning Officer, Goldman Sachs, "One of the primary principles of effective management is that rewards should be the third thing you work on as measurements come second, and both rewards and measurements being subordinated to performance definition; i.e. clear and unambiguous articulation of what needs to be done" Merchant K.A et al (2007 p.393).

In emphasizing the power of rewards, Towers Perrin (2007, p.1) research highlighted that employers must be prepared to deploy a broad range of reward elements — based on insights about specific workforce demographics, job functions and levels, geographic

¹ WorldatWork. The Total Rewards Association: <http://www.worldatwork.org/waw/aboutus/html/aboutus-what-is.html#snap>

² <http://www.shrm.org/hrdisciplines/benefits/documents/07rewardsstratreport.pdf>

regions and industry sectors in-order to attract, retain and engage the talent they need for business success.³

Reward management systems have major impact on organizations capability to catch, retain and motivate high potential employees and as a result getting the high levels of performance (Barber et al., 2000; Güngör, 2011 p.1511)

Developing and managing a reward system, which is efficient and suited to the organisation, is an essential human resource management function (e.g. Frombrun, Tichy and Devanna 1984; Beer et al. 1985; Schuler and Jackson, 1996) and that HR practitioners must endeavor to attach all the necessary importance to this area of human resource management.

1.2.0 Problem description

Today's organizations consist of a diversified workforce (Nelson, 2007) of four (4) groups of generations who are working together side by side: Silent Generation, the Baby Boomers, Generation X and Generation Y (Dries et al. 2008). Each generation have its own unique work ethics, different perspectives of work, distinct and preferred ways of being managed and managing (Zemke, 1999 p.33) and as a result becomes imperative in taking into consideration the perceptions of the different generational groups in the workplace during the design and implementation of organizations reward strategy in preventing employee dissatisfaction and enhancing employee motivation workplace. This among other pressing employee reward preferences gave birth to the research questions: How do the different generational groups perceive rewards in the workplace, which rewards they prefer most, which rewards prevents employee dissatisfaction and enhances employee satisfaction and motivation as well as what are the critical success factors and phases considered in the design and implementation of the reward systems.

1.3.0 The Purpose of the Study

The purpose of the study is to understand the perceptions of the different generational groups in the workplace towards rewards and the factors involved in the design and implementation of the reward systems in the workplace based on the following objectives:

- ❖ to ascertain which rewards employees prefer most in relation to their job or position
- ❖ to evaluate and understand which rewards prevent employees dissatisfaction

³ http://www.towersperrin.com/tp/getwebcachedoc?webc=HRS/USA/2007/200709/TRE_TalentMgmt_919.pdf

- ❖ to evaluate and understand which rewards contribute to employees satisfaction and motivation
- ❖ to evaluate and understand which reward package profile employees prefer most
- ❖ To identify the critical success factors involved in the design and implementation of the reward systems
- ❖ To outline the various phases involved in the design and implementation of the reward systems

The findings from the objectives "evaluation of which rewards prevent employees dissatisfaction and which rewards contribute to employees satisfaction and motivation" serve as a test in proving conformance to or non-conformance to Herzberg Two Factor Theory (The Hygiene factors and Motivators)

The different Generational groups whose perceptions on rewards are being sought after in this study will be defined as follows: A group of people which shares the same years of birth, common tastes, attitudes, experiences, place in history and common events and images which all make then create unique personalities (Zemke, 1999 p.24). The generation or demographic groups that will be used in the study include the following: Silent Generation, the Baby Boomers, Generation X and Generation Y (Dries et al. 2008).

1.4.0 Scope and the limitations of the research design

The scope of the research covers the perceptions and preferences of the different generational groups on rewards within GSB/PL. The limitations of the research design will include the following:

- ❖ The research was carried out within only one natural setting (GSB/PL).
- ❖ A small random sample of the population was considered
- ❖ The sampling frame was supplied by the Human Resources Department and as such any error or biases in the data would produce or result in biased sample.

The main research questions behind this study are as follows:

- ❖ What rewards do employees of the different generational groups prefer most?
- ❖ What rewards do the different generational groups perceive to prevent employees dissatisfaction?
- ❖ What rewards do the different generational groups perceive to enhance employees satisfaction and motivation?
- ❖ what reward package profile do employees prefer most?
- ❖ What are the critical success factors and phases involved in the design and implementation of reward systems.

CHAPTER TWO

2.0 LITERATURE REVIEW/BACKGROUND STUDY

2.1.0 Generational Groups and Employees Reward Preferences

Kanfer and Ackerman (2004) emphasize that despite the increasing number of ageing employees, little research is targeted at age-related changes in motivation and age-related differences in employee reward preferences (Doering, Rhodes and Schuster 1983).

Armstrong(1999) emphasized that especially, when the availability of human resources is limited, it is essential for organizations to develop their reward philosophies, practices and strategies in accordance with the culture they want to promote. Lawler (1990) emphasized that reward systems are highly dependent on organization strategy, culture and values, and has a strong impact on the culture of most organisations.

Employees' reward preferences had been studied in various contexts (Rainey 1982; Doering et al. 1983; Kanungo and Mendonca 1988; Cable and Judge 1994; Chiu, Luk and Tang 2002; Chiang and Birch 2007). In some instances, typical comparisons have been made between public and private sector employees on reward preferences (Rainey 1982; Doering et al. 1983) or between employees with different cultural background (Chiu et al. 2002; Chiang and Birch 2007). Also, reward preferences have been found to relate closely to job preferences and to job search decisions (Cable and Judge, 1994; Jurgensen, 1978), and have a tendency to change across the life course and different types of work and therefore a good idea or understanding of the reward preferences of an ideal job applicant might help the organisation in increasing its attractiveness and becoming economically more effective (Cable and Judge, 1994).

Kubal and Newman (2008) emphasized that demographics paint a picture of a workforce in search of flexibility and that a Merrill Lynch survey indicated that 16 percent of the baby boomer workforce is looking for part-time work, and 42 percent will only take jobs that will allow them periods off for leisure.

2.2.0 Total Rewards System Perspectives: Motivation Theory and Behavioural Management Control Perspectives of Rewards

2.2.1 Motivation Theory Perspective

According to Wright (1989), the first step towards predicting and influencing work behaviour is the understanding of the human need. Due to the complexity of the work motivation concept, there is no single definition as over the years some theorist have concentrated on physiological aspects, some stress behavioural aspects and others the rationality of human beings (Pinder, 1998).

Pinder (1998, p. 11) describes motivation as: “a set of energetic forces that originate both within as well as beyond an individual’s being, to initiate work-related behavior, and to determine its form, direction, intensity, and duration”. Ambrose and Kulik (1999, p. 231) viewed Pinder work motivation definition as an “invisible, internal, hypothetical construct” and also emphasized that since work motivation cannot actually be seen or measure directly, established theories are used when measuring the observable manifestations of work motivation.

Brooks et al (2009 p.80) defined motivation in two terms: Broad and Simpler terms. In the broad term, they considered motivation to comprise an individual's effort and persistence and the direction of that effort but in the simpler terms, they considered motivation as the will to perform. In their attempt to explain the concept of motivation, they highlighted the characteristics frequently exhibited or associated with well-motivated and demotivated individuals. They argued that well-motivated individuals are thought to consistently achieve at workplace and to exhibit energy and enthusiasm in the process; work with people to overcome organizational problems, or obstacles to progress, and frequently demand and accept additional responsibility; and may be more willing to accept organizational change. They also argued that demotivated employees may appear apathetic and may tend to consider problems and issues as insurmountable obstacles to progress; might have poor attendance and time keeping records and might appear uncooperative and resistant to change. Steer & Porter (1991) also defined work motivation as the process by which behavior is energized, directed, and sustained in organizational settings⁴.

Brooks et al (2009 p.81), emphasized that motivational theory has been developed from empirical research activities and has progressed considerably from the Traditional or Classical approaches based on the assumption that employees in an attempt to maximize the economic return to their labour in the workplace acted rationally. They also argued that cognitive tradition is based on the assumption that people are conscious of both their goals and behaviour and they act rationally and purposefully. They considered the behaviourist tradition as where the human behaviour is to be reflexive and instinctive and thus responsive to certain environmental positive or negative stimuli. They also argued that the behaviour modification theory and the reinforcement theory are firmly rooted in the behaviourist tradition and focuses on the consequences of people's action instead of the inner state of the individual which is the focal point of the cognitive school.

⁴ Leonard, N.H. (1999) "Work motivation: The Incorporation of Self-Concept-Based Processes" Human Relations, 52/8, p.970.

According to Brooks et al (2009 p.81), broadly, most models and approaches to motivation can be categorized as either content or process theories and that the content theories attempt to identify and explain the factors which energize or motivate people whereas process theories focus on how a variety of personal factors interact and influence human behaviour. The two sets of theories are quite often compatible and provide considerable insight into motivation in the workplace when combined. They emphasized that behaviour modification theory is associated with motivation and learning and that it broadly suggests that behaviour is a function of its consequences, that is the outcome of a particular behaviour will influence the nature of future behaviour. They also highlighted that both positive and negative reinforcement can increase the strength of a behaviour as people often respond positively to encouraging feedback and/ or consider changing their behaviour if it leads to negative feedback. They emphasized that critiques of behavioural modification or shaping in the workplace suggest that it dehumanizes employees.

Table 1: Shows a simple classification of motivation theories (Brooks, 2009 p.82)

Content theories	Process theories
Two-factor theory (Herzberg)	Expectancy theory (Vroom; Porter & Lawler)
Needs hierarchy (Maslow; Alderfer)	Equity theory (Adams)
Achievement needs theory (McClelland)	Goal theory (Looke)
	Attribution theory (Heider; Kelley)

Source: Brooks et al. (2009, p.82) "Organizational Behaviour: Individuals, Groups and Organization" 4th Edition, England: Prentice Hall, p.82

Table 2a: Shows distinction between process and content theories

CONTENT	PROCESS
Static	Dynamic
Emphasis on what motivates	Emphasis on the process of motivation
Concern with individual needs and goals	Concern with how motivation occurs

Source: Brooks et al. (2009, p.82) "Organizational Behaviour: Individuals, Groups and Organization" 4th Edition, England: Prentice Hall, p.82

Table 2b: Shows distinction between behavioural and cognitive traditions

BEHAVIOURAL	COGNITIVE
Focus on behaviour	Consciousness/rationality
Responses to internal or external stimuli	Goals and behaviour known and calculable

Source (Table 3&4): Brooks et al. (2009, p.82) "Organizational Behaviour: Individuals, Groups and Organization" 4th Edition, England: Prentice Hall, p.82

2.2.2 The Expectancy theory: A framework for the analysis of workplace motivation

Vroom (1964) developed the expectancy theory from the original work of Tolman and Honzik (1930), producing a systematic explanatory theory of workplace motivation and as an alternative to the behaviouralist approaches to motivation. The theory provides a framework for explaining employee behaviour such as level of motivation, performance, employee turnover and absenteeism, in addition to leadership effectiveness and career choice (Brooks et al. 2009 p.83). Chen and Lou (2002) emphasized that the theory basically provides a general framework for assessing, interpreting, and evaluating employee behaviour in learning, decision-making, attitude formation, and motivation. Expectancy theory generally is supported by empirical evidence (Tien, 2000; Vansteenkiste et al., 2005; Chiang, et al., 2008) and is one of most commonly used theories of motivation in the workplace (Campbell and Pritchard, 1976; Heneman and Schwab, 1972; Mitchell and Biglan, 1971; Chiang et al., 2008).

The theory argued that the motivation to behave in a particular way is determined by an individual's expectation that behaviour will lead to a particular outcome, multiplied by the preference or valence that person has for that outcome. Brooks et al. (2009, p.83) highlighted Vrooms arguments that "human behaviour is directed by subjective probability, that is, the individual's expectation that his or her behaviour will lead to a particular outcome". The simple expectancy equation is: $\text{Motivation} = \text{Expectation (E)} \times \text{Valence (V)}$

Brooks et al. (2009 p.86) highlighted a number of important assumptions underlying the expectancy theory as follows:

- ❖ The realization that individual behaviour is influenced by various personal and environmental factors;
- ❖ An individual makes a series of decisions or choices about his or her behavior and acts rationally in that process, taking note of such information as is available;
- ❖ Individuals differ and have a variety of needs, drives and sources of motivation

Pinder (1984) found that both valence and expectancy were related to both effort and performance in the workplace, where as Campbell and Pritchard (1976) confirmed that an individual's motivation is influenced by the value this person places on expected rewards⁵.

⁵ Brook, I. et al. (2009) p.86.

Mitchell (1974) suggested that the construct validity of the components of expectancy theory remains little understood. The results of the meta-analysis by Van Eerde and Thierry (1996) meta-analysis results implicated that Vroom's model lacks external validity suggesting that the model does not yield higher effect sizes than the components of the models. In addition, research dedicated to developing a theory for the process of employee motivation had been very little, and the lack of a strong theoretical framework may negatively affect the validity of the Vroom's model.

Chiang, et al. (2008) proposed a modified expectancy theory model which comprises of five (5) components (expectancy, extrinsic instrumentality, intrinsic instrumentality, extrinsic valence, and intrinsic valence) and tested it with 289 hotel employees which indicated that that intrinsic motivation factors are more influential than extrinsic factors for hotel employees, suggesting that hotel managers need to focus more on intrinsic factors to better motivate employees. They illustrated their modified expectancy model as follow: $\text{Motivation} = \text{Expectancy} \times \text{Instrumentality} \times \text{Valence}$

2.2.3 Porter and Lawler Expectancy Model

This is a more complex expectancy model, which represents a further development of the basic expectancy model carried out by Porter and Lawler (1968) which includes further, hopefully realistic, variables and highlights certain potential managerial implications and also sheds light on the nature of the relationship between employee satisfaction and performance. Porter and Lawler's model suggests that performance is a product not only of effort but also of the individual's abilities and characteristics together with his or her role perception (Brooks et al, 2009 p.85). They emphasized that performance leads to two types of reward: Intrinsic and extrinsic rewards and that intrinsic rewards are intangible and include a sense of achievement, or advancement, of recognition and enhanced responsibility whereas extrinsic rewards are more tangible and include pay and working conditions. The basic assumption underlying this concept is that if performance in an organization results in equitable and fair results, people will be more satisfied. Lawler (1973) argues that intrinsic rewards have more important influences on motivation than pay or promotion. Herzberg (1968) suggests that intrinsic rewards have a more direct and powerful influence on workplace satisfaction than do extrinsic rewards. Blum (1949:132-3) having recognized this for some time earlier emphasized that "the major error in industry has been the oversimplification of the concept of motivation".

2.2.4 Adam's Equity Theory

Adam (1963, 1965) developed the equity theory which provides useful and simple insights into the relationship between rewards and the likely satisfaction individuals' gain from them and helps also to qualify the understanding of the expectancy model.

This theory is based on the assumption that people pursue a balance between their investments (or ‘inputs’, e.g. time, attention, skills, effort) in and the rewards (or outputs ‘outcomes’, e.g. status, appreciation, gratitude and pay) gained from this relationship, compared to the input/outcome ratio of similar others (Tarris, Kalimo, et al., 2002 p.287).

The social comparison notion incorporated into Adam’s theory of psychological equity originates from Leon Festinger (1954) argument that when people are uncertain about their opinions or abilities (that is, when objective information is not available), they evaluate themselves by comparing themselves to similar others (Tarris, Kalimo, et al., 2002 p.287).

Brooks, et al. (2009 p.97) highlighted that Adam’s model contains three crucial components: inputs (the effort an individual makes); outputs (intrinsic and extrinsic rewards from the organization); and comparison with others. According to the theory, if an individual perceives that the overall outputs he or she receives from the organization (eg. Pay, fringe benefits, recognition) in return for their particular inputs (eg. Hours of work, achievements, qualifications) are equal to, or exceed, those received by colleagues in the company or peers elsewhere, then they will view the situation as equitable or even favourable and the opposite effect leads to under-reward inequity where individuals are motivated to reduce such inequality.

Brooks, et al. (2009 p.86) emphasized the five factors suggested by Tyler and Bies (1990) regarding perception of fairness in the workplace and hence perceived equity as follows:

- ❖ Adequate consideration of an employee’s view point;
- ❖ Suppression of personal bias;
- ❖ Consistent application of criteria across employees;
- ❖ Provision of timely feedback after a discussion;
- ❖ Providing employees with adequate explanations for a discussion

Tarris et al.(2002, p.288) emphasized that though over the last decade, a small body of research has addressed the relationship between inequality in exchange relationships at work and work outcomes such as job satisfaction, turnover, organizational commitment and burnout, this small research supported the predictions generated by equity theory, in that inequity in various work relationships was shown to be associated with job dissatisfaction (Perry, 1993), lack of organizational commitment (Schaufeli, Van Dierendonck, & Van Gorp, 1996), absenteeism and turnover (Geurts, Schaufeli, & De Jonge, 1998; Iverson & Roy, 1994; Van Yperen, Hagedoorn, & Geurts, 1996), employee theft (Greenberg, 1990; Shapiro, Trevino, & Victor, 1995), and burnout

(Van Dierendonck, Schaufeli, & Buunk, 1996; Van Dierendonck, Schaufeli, & Sixma, 1994; Van Yperen, 1998).

Goodman and Friedman (1971) emphasized and confirmed that equity theory holds validity in practice and as a consequence the theory underpins the work of managers and, in particular, industrial relations and compensation specialists in HRM.

Though, the equity theory seems to be similar to the expectancy theory, it differs significantly based on its recognition of social comparison (that individuals make comparison between themselves and others when assessing the scale or worthiness of rewards received).

2.2.5 Goal Theory

Locke (1968) proposed a simple and intuitively appealing cognitive theory of motivation which states that "both motivation and performance will be high if individuals are set specific goals which are challenging, but accepted and where feedback is given on performance" (Brooks, et al. p.84).

Locke & Latham (2002 p.706) emphasized that goal specificity in itself does not necessarily lead to high performance because specific goals vary in difficulty and in spite of that, insofar as performance is fully controllable, goal specificity does reduce variation in performance by reducing the ambiguity about what is to be attained Locke et al. (1989).

Locke et al (1981) identified four ways in which goals influence behaviour as follows:

❖ Direct attention

Rothkopf and Billington (1979) observed that students with specific learning goals paid attention to and learned goal-relevant prose passages better than goal-irrelevant passages. Also, Locke and Bryan (1969) observed that people who were given feedback about multiple aspects of their performance on an automobile-driving task improved their performance on the dimensions for which they had goals but not on other dimensions.

❖ Mobilize effort

Goals are observed to have an energizing function and that high goals lead to greater effort than low goals and this has been shown with tasks that (a) directly entail physical effort, such as the ergometer (Bandura & Cervone, 1983); (b) entail repeated performance of simple cognitive tasks, such as addition; (c) include measurements of

subjective effort (Bryan & Locke, 1967a); and (d) include physiological indicators of effort (Sales, 1970).

❖ Encourage persistence

LaPorte & Nath, (1976) observed that hard goals prolong effort when participants were allowed to control the time they spend on a task. Tight deadlines lead to a more rapid work pace than loose deadlines in the laboratory (Bryan & Locke, 1967b) as well as in the field (Latham & Locke, 1975).

❖ Facilitate strategy development

Wood & Locke, (1990) observed that goals affect action indirectly by leading to the arousal, discovery, and/or use of task-relevant knowledge and strategies

It is argued that self evaluation and self monitoring against targets are vital and has shown to be important to successful individual learning. A study revealed that individuals who received training in self regulatory processes demonstrated less absenteeism while other studies had also shown that difficulty in achieving a high-order goal tended to lead to a shift towards a lower-order goal, hence the notion of a hierarchy of goals is recognized as valuable, enabling self regulation and the achievement of longer term goals (Brooks, et al. p.84).

But in addressing the question why would people be motivated to set high goals, Locke and Latham (2002) emphasized that people could expect many psychological and practical outcomes from setting and attaining those goals. For example, Mento et al.,(1992) reported four beneficial outcomes that undergraduate business students expected as a result of having a grade point of A versus B versus C as follows: Pride in performance; academic outcomes such as admission into graduate school or receiving a scholarship; future benefits, such as an excellent job offer or a high starting salary; and life benefits, such as career success. They also reported that expected satisfaction with performance showed the opposite pattern and that the highest degree of anticipated satisfaction, averaged across all grade outcomes, was for students with a goal of C, and the lowest was for students with a goal of earning an A.

Mento et al. (1992) relationships are graphically shown in Figure1.

Locke and Bryan (1967) observed that a means of enhancing task interest is by setting specific challenging goals while Harackiewicz, et al. (1984) also observed that setting specific challenging goals is a means of helping people to discover the pleasure of an activity.

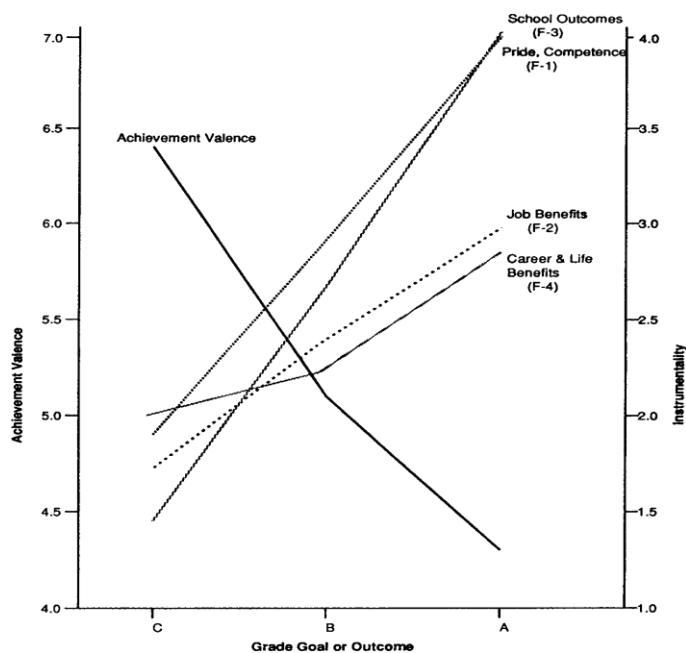


Figure 1: Achievement Valence and Instrumentality Functions for Grade Goals or Outcomes

Source: Locke, E. A. & Latham, G. P. (2002) "Building a practically useful theory of goal setting and task motivation". *American Psychologist*, 57, 710

Locke et al., (1994) emphasized how goal conflict undermines performance if it motivates incompatible action tendencies. Seijts and Latham (2000b) found that personal goals have detrimental effect on group's performance when they are not aligned with group's goal but enhances group's performance when the specific, difficult personal goals are aligned with the group's goal of maximizing performance.

2.2.6 Herzberg Two-Factor Theory

Herzberg two-factor theory is a content and influential need theory of the 1960's which focused on intrinsic and extrinsic motivational factors (Brooks et al., 2009 p.82; Lungberg et al., 2009 p.891) and which suggests that humans have two different sets of needs: basic survival needs of a person and growth needs and that the different elements of the work situation satisfies or dissatisfies these needs (Wright, 1989).

The basic survival needs of a person are referred to as hygiene factors (Herzberg, 1971; Herzberg, et al., 2005) or context factors (Brooks et al., 2009 p.93). These factors are not directly concerned or related to the job itself but rather represents or concern the conditions that surround performing the job and include factors like company policy such as for example reward system, salary, and interpersonal relations (Herzberg, 1971; Herzberg, Mausner, & Bloch Snyderman, 2005; Tietjen & Myers, 1998).

Brooks et al. (2009 p.94) highlighted that these hygiene factors are extrinsic to the actual work itself, and include factors such as salary or remuneration, job security, working conditions and company policies. According to Herzberg, these factors can cause employee dissatisfaction when not satisfied or available but when they are satisfied or available also they do not motivate or cause satisfaction and so these factors only prevent employee dissatisfaction (Herzberg, 1971; Herzberg, Mausner, & Bloch Snyderman, 2005).

The growth needs refer to factors intrinsic within the work itself, which Herzberg referred to as motivating factors, which implies that human being try to become all that they are capable of becoming and when these factors are satisfied they work as motivators (Herzberg, 1971, Herzberg, Mausner, & Bloch Snyderman, 2005) and includes for example recognition of a task completed, achievement, responsibility, advancement and work itself. According to Herzberg, content of work is the only way to increase satisfaction and thereby enhance work motivation (Wright, 1989) and that when the growth factors are absent or unavailable it does not lead to dissatisfaction, but simply an absence of satisfaction (Herzberg, 1971; Herzberg, Mausner, & Bloch Snyderman, 2005).

Brooks et al. (2009 p.94-6) highlighted how Herzberg contextual factors such as such pay viewed as a non-motivator is in contrast with traditional belief that pay is prime, or in some cases the only source of motivation. They highlighted that Herzberg intrinsic rewards equate to Maslow's higher-level needs whereas the hygiene or extrinsic factors are similar to his lower-level physiological and security needs.

Table 3 provides examples of Herzberg's two main rewards: extrinsic rewards referred to as hygiene or context factors and the intrinsic rewards also referred to as motivators or content factors

Table 3: Shows Herzberg's Satisfiers and Dissatisfiers

Hygiene-context factors	Motivators-content factors
Extrinsic rewards	Intrinsic rewards
Company policy and administration	Sense of achievement
Supervision/relationship with supervisor	Recognition
Working conditions	The work itself
Remuneration: pay, salary	Responsibility
Relationship with peers and with subordinates	Advancement
Status/promotion	Personal growth
Job security	

Source: Brooks, I., Davenport, H., Stephens, J., Swailes, S. (2009) "Organizational Behaviour: Individuals, Groups and Organization" 4th edition, England: Pearson Education Limited, p.93.

Parsons and Broadbride's (2006) contextual-adapted study of work motivation in a retail setting which examined key factors for job motivation and satisfaction for charity shop managers found that the study supported Herzberg Two-Factor theory in that managers exhibited high levels of satisfaction with intrinsic factors (e.g. variety and challenge of the job, high degree of control) and lower levels of satisfaction with extrinsic factors (e.g. pay, job status, working conditions).

DeShields, Kara, and Kaynak' (2005) in their study of determinants of business student satisfaction and retention employed another adapted version of Herzberg's motivation model and the principal findings of this study supported Herzberg Two-Factor theory.

The findings from Balmer and Baum's (1993) study of guest satisfaction in the accommodation environment (hospitality industry) indicated that that Herzberg's model also poses as a relevant theory when attempting to understand guest motivation in hospitality industry (Lundberg et al., 2009 p.892).

Lundberg, Gudmundson and Andersson (2009) in their study where Herzberg's Two Factor Theory of work motivation was tested empirically on seasonal workers in hospitality and tourism found that the findings from the study supported Herzberg's Two-Factor theory of work motivation.

Some criticisms facing this Herzberg Two-Factor theory include its limited application for non professional or manual workers, oversimplification of potential sources of satisfaction and dissatisfaction (Wigdor, 1967) and flaws in methodology (critical incident techniques). Pinder (1998) criticized Herzberg claim that job content or job enrichment by for example responsibility, achievement, recognition and advancement is the only way to increase work motivation (Furnham, Forde, & Ferrari, 1999; Parson & Broadbride, 2006; Wright, 1989) by asserting that hygiene factors, like salary, interpersonal relations and working conditions may also act as motivators. Another criticism facing the two factor theory is the failure in accounting for the individual differences of needs and values in its explanation of work motivation (Parson & Broadbride, 2006; Tietjen & Myers, 1998).

2.2.7 Needs Hierarchy

Maslow (1943) proposed that individuals are motivated to satisfy a set of needs which are hierarchically ranked according to their salience. Abraham Maslow (1954) created his five-level hierarchy of needs by observing the growth and development of students: physiological needs, security, love and belonging, self-esteem and self actualization. Implicit in the Maslow hierarchy is the belief that individuals will strive to seek a higher need when lower needs are fulfilled (Brooks, et al. 2009, p.88). Maslow described the four basic layer of his hierarchy of needs: physiological, security, love and belonging

and esteem as "deficiency needs" or "d-needs" needs and emphasized that with exception of the physiological needs, if these "deficiency needs" are not met, the individual feels anxious and tense though the body gives no physical indication.

Abraham Maslow introduced the concept Metamotivation which he used in describing the motivation of people who go beyond the scope of the basic needs and strive for constant betterment (Goble, 1970 p.62) and emphasized that metamotivated people are driven by B-needs (Being Needs), instead of deficiency needs (D-Needs). Abraham Maslow referred to a person's most fundamental needs as survival or physiological needs and includes air, food, clothing, and shelter and that unless these needs are met, the person cannot progress on the continuum to achieve higher levels of growth and development (Hamel, Leclerc, & Lefrancois, 2003; Freitas & Leonard, 2011 p.9). When the physiological needs are met, the individual will switch attention in seeking a higher order need, that of security and further fulfillment through affiliation with others. Individuals who enjoy sufficient physiological, security and social affiliation may then be motivated to seek esteem of others and self respect or self esteem before finally attempting to self-actualize.

Hamel et al., (2003) described in moving from survival needs to more social development needs, one of the highest levels is self-actualization, where persons are concerned about their legacy, the needs of humankind, and how to make the world a better place for its inhabitants.

Dearnley & Matthew (2007) emphasized that in the nursing student, self-actualization may be evidenced by critically reflective behaviors that promote the care of patients and society (Freitas & Leonard, 2011 p.10). Self-actualization, according to Abraham Maslow, depends on having met underlying needs and looking outward from oneself to humankind.

The theory has not enjoyed unquestioned empirical support (Hall and Nougain, 1968; Lawler and Suttle, 1972) and a number of problems and deficiencies have been noted. Research has indicated that as managers advance within organizations their need for security and safety needs tends to decrease, whereas social, esteem and self-actualization needs increase (Lawler and Suttle, 1972). The same research also suggests that individuals rarely satisfy their higher-order needs and they continue to strive for status and autonomy even after experiencing considerable success in these areas.

Hofstede (1984) criticized the model as highly ethnocentric due to the fact that it neglects to illustrate and expand upon the difference between the social and intellectual needs of those raised in individualistic societies and those raised in collectivist societies. Following research in two companies, Lawler and Suttle (1972) suggested that the needs hierarchy could be reduced to just two levels: Physiological needs and all other needs.

Alderfer (1972), who adapted Maslow's approach to the workplace also proposed three categories of needs: existences (basic survival needs); relatedness (including social interaction and respect of and recognition from others); and growth (self-fulfillment, autonomy and success).

Alderfer's model suggested that needs may be activated simultaneously, as opposed to the strict, hierarchical sequence of Maslow. Alderfer also proposed that if higher needs are not satisfied an individual will regress in pursuit of lower-level needs which he referred to as frustration-regression effect.

2.2.8 McClelland's Achievement Needs Theory

McClelland's achievement needs theory is a trichotomy of needs theory that proposes that the work behavior of most individuals is motivated by three needs: need for affiliation, need for power and need for achievement (McClelland, 1961; Harrell, et al., 1984 p.241; Brooks, et al., 2009 p.90). McClelland's Human Motivation Theory is also known as Three Needs Theory, Acquired Needs Theory, Motivational Needs Theory, and Learned Needs Theory⁶.

According to McClelland, individuals develop a dominant bias or emphasis towards one of the three needs and he illustrated this with an example that those with a high achievement need tend to seek situations where they have personal responsibility for solving problems, managing projects and for overall performance, where feedback is often clear and rapid, where tasks are moderately challenging and where innovation is required (Brooks, et al, 2009 p.90-1).

McClelland theory also suggests that even in adulthood motivation is changeable and that this could be done through training (Hein 2009). Training initiatives, modifying and enhancing self-images, and encouraging individuals to seek new job challenges and responsibilities are all means companies could use to increase motivation in the workplace in-order to allow employees to achieve (Bowditch, Buono 2005).

A large body of research performed by McClelland and his associates which spans over twenty years provides empirical support for the theory (e.g., McClelland, 1961, 1965, 1970, 1975; McClelland et al., 1976; McClelland & Winter, 1969; McClelland & Boyatzis, 1982). Harrell & Stahl (1981) and Stahl & Harrell (1982) also demonstrated the Theory's validity in a number of environments.

⁶Mind tools: <http://www.mindtools.com/pages/article/human-motivation-theory.htm>

McClelland & Burnham (1976) suggested that individuals who possess large affiliation needs in formal organizational leadership positions tend to experience internal conflicts and this comes about when their desire for warm friendly relationships with their associates conflicts with the disciplinary requirements usually inherent in a formal leadership position.

McClelland & Boyatzis (1982) evidence presented indicated that senior executives with large power needs tend to be more successful than their contemporaries and argued that large power needs for senior executives mean the individual is actively interested in the "influence game", in which a senior executive must participate if he is to perform well. They emphasized that such individuals tend to focus upon influence relationships with their peers and subordinates, rather than upon the details of tasks to be accomplished (Harrell, et al., 1984 p.243).

McClelland and Boyatzis (1984) in their study in the USA found that successful managers are associated with high power needs and lower achievement needs and that power appears to be the main determinant of success, particularly when success is measured in terms of status and promotion to senior posts (Brooks et al., 2009 p.91).

McClelland identified and distinguished between two types of power: socialized power and personalized power and he referred to the former as useful in assisting managers and leaders in their attempts to achieve organizational and group goals whereas the latter only serves the individual in seeking his or her need for domination.

Both dimensions of McClelland's Achievement Needs Theory are only valid and more applicable in Anglo-American settings, and as such the theory has been criticized for being North American bias because of its assumption of two cultural dimension:

- ❖ Willing to accept moderate risk which in itself excludes countries with high uncertainty avoidance and regarding performance which applies to countries with almost only high quality of life characteristics (Buelens, Sinding & Waldstrøm, 2011).
- ❖ Another criticism facing the McClelland Theory is the failure in addressing gender differences as his critiques recognizes that most of his evidence relates to boys and men like most behavioural science in the early years (Pinder, 2008).

Table 4: Shows McClelland's three dominant motivators and Characteristics of Persons associated with these motivators

Dominant Motivator	Characteristics of This Person
Achievement	<ul style="list-style-type: none"> • Has a strong need to set and accomplish challenging goals. • Takes calculated risks to accomplish their goals. • Likes to receive regular feedback on their progress and achievements. • Often likes to work alone.
Affiliation	<ul style="list-style-type: none"> • Wants to belong to the group. • Wants to be liked, and will often go along with whatever the rest of the group wants to do. • Favors collaboration over competition. • Doesn't like high risk or uncertainty.
Power	<ul style="list-style-type: none"> • Wants to control and influence others. • Likes to win arguments. • Enjoys competition and winning. • Enjoys status and recognition.

Source: Mind tools: Essential skills for excellent career: <http://www.mindtools.com/pages/article/human-motivation-theory.htm>

In summary, most models and approaches to motivation can be categorized as either content or process theories and that the content theories attempt to identify and explain the factors which energize or motivate people whereas process theories focus on how a variety of personal factors interact and influence human behaviour. The content and process theories are compatible and provide considerable insight into motivation in the workplace when combined.

Herzberg Two-Factor theory would provide the opportunity to be able to understand what reward factors when not available or inadequate could lead to dissatisfaction among employees in the mining company and again when available has the highest tendency in increasing employee satisfaction and motivation in the workplace.

McClelland's Achievement Needs Theory would also provide the guide and opportunity in understanding the need for affiliation, need for power and need for achievement of the employees in the mining company. Thus, the need for affiliation could be viewed as Herzberg relationship with peers and subordinates (extrinsic/Hygiene-context factor) where as the need for power and achievement could be viewed as Herzberg authority and responsibility and sense of achievement (intrinsic/motivator-content factors) which would guide in assessing what brings about dissatisfaction, satisfaction and motivation among employees in the mining company.

The needs Hierarchy would also offer the opportunity and guide in understanding the Maslow deficiency needs or d-needs (physiological, security, love and belonging and esteem) which covers the basic survival needs referred by Herzberg as the Hygiene-factors or context factors (such as salary and interpersonal relations) when assessing what constitutes dissatisfaction in the mining company. Also, the theory provides the opportunity in understanding Maslow higher level need referred to as the being needs or "b-needs" (self actualization) which represent Herzberg growth needs referred to as motivator or content factors (such as autonomy, sense of achievement, etc) which would provide the opportunity in assessing what constitute employee satisfaction and motivation in the workplace.

Adam Equity Theory would provide guide and opportunity in understanding how people who are uncertain about their opinions and ability in the workplace would go about evaluating themselves by comparing themselves to similar others. Thus, the theory provides the opportunity to understand how employees compares their input/output ratio with similar other people in order to judge whether the situation is equitable or even favourable and the opposite effect (under-reward inequity).

Locke Goal Theory would provide the guide and opportunity in understanding what conditions would lead to high motivation and performance in the mining company. The theory stipulates that for high motivation and performance to be achieved in the workplace, individuals must be set specific goals which are challenging, but acceptable and receive feedback on performance.

The Porter and Lawler Expectancy model would provide the guide and opportunity in understanding the relationship between employee satisfaction and performance in the mining company under the basic underlying assumption that if performance in an organization results in equitable and fair results, people will be more satisfied and that performance is a product not only of effort but also of the individual's abilities and characteristics together with his or her role perception.

2.3.0 Behavioural Management Perspective

From the behavioural management perspective, reward is a management control tool that employers use in achieving desired behaviours from their employees in the workplace. The term reward is therefore a tool for effective management in the workplace and according to Steven Kerr (2004), Chief Learning Officer, Goldman Sachs, “One of the primary principles of effective management is that rewards should be the third thing you work on as measurements come second, and both rewards and measurements being subordinated to performance definition; i.e. clear and unambiguous articulation of what needs to be done” Merchant K.A et al (2007 p.393).

Merchant K.A et al (2007 p.394) emphasized that performance-dependent rewards, or incentives, provide the drive and impetus for the alignment of employees’ natural self-interests with the organization’s objectives and serves three types of management control benefits: Informational or effort directing purpose; motivational or effort inducing purpose and personnel-related.

2.3.1 Informational or Effort directing purpose

Merchant et al (2007 p.394-395) elaborated that rewards have the ability and capacity to catch employee's attention (attract), update and enlighten or remind them of the relative importance of often- competing results areas, such as cost, quality, customer service, asset management, and growth.

2.3.2 Motivational or effort inducing purpose

Merchant et al (2007, p.395) elaborated that some employees need incentives to bring to bear the extra effort required to perform tasks well; that is, to work hard, do a good job, and succeed. Skinner (1969) makes a point that offering rewards in exchange for hard work, especially in service industries such as banks and other establishments in the hospitality sector, is very important when it comes to influencing the perceptions of employees. Skinner highlighted that the offered rewards has the capacity to shape employees perception on how they value certain concepts.

2.3.3 Personnel-related purpose

Merchant et al (2007 p.395) emphasized that many employees’ total compensation packages are constituted by vital performance-dependent rewards and that organizations promised some rewards because they wants to improve employee recruitment and retention either by offering a package that is comparable or superior to those offered by their competitors or by linking payments to an employee’s continued employment.

He also highlighted that some firms also obviously offer compensation packages with below average base salaries but with performance-dependent compensation elements (variable pay) that provide the opportunity to earn above average total compensation if excellent performance is forthcoming.

They also emphasized that these packages tend to appeal to employees who are entrepreneurial, rather than risk averse, and those who are confident about their abilities to produce superior results and as such these efforts to use compensation packages to attract and retain a higher quality set of employees often form a key element of firms' personnel control strategy.

Merchant et al (2007 p.395) also outlined the non-control purposes served by incentive systems and established that incentive systems that are performance-dependent make compensation more variable with firm performance and in effect produces desirable effects of

- ❖ decreasing cash outlays when performance is poor
- ❖ Smoothing earnings – compensation expense is lower when profits are lower.

They also emphasized that Incentive system design choices can also affect a firm's tax payments and that some forms of compensation are not deductible for tax purposes, and some deductions also are limited.

2.3.4 Overview of the Various Types of Reward

Gerhart and Milkovich (1993) classified the various reward programs as practiced and researched on a number of dichotomous dimensions such as intrinsic versus extrinsic, individual versus system wide, monetary versus nonmonetary, and fixed versus variable.

2.3.5 Intrinsic and Extrinsic Rewards

Chen et al (1999 p.48-49) highlighted that Intrinsic rewards are those rewards that an individual experiences through performing a job well (e.g., feelings of competence, autonomy) whereas extrinsic rewards are inducements or enticements (e.g., a bonus, a commemorative plate) that organizations offer for good job performance. They also classified work content factors such as autonomy and responsibility as intrinsic and work context factors such as pay, job title and tenure as extrinsic factors. They also subdivided extrinsic rewards into monetary and nonmonetary (socio-emotional).

2.3.6 Monetary and Nonmonetary Rewards

Chen, et al (1999 p.49) literature outlined the difference between these two rewards by emphasizing that monetary rewards such as a pay raise, bonus, and stock options are those that have substantial cash value whereas nonmonetary rewards such as awards and recognition for good performance are symbolic rewards, satisfying socio-emotional needs.

2.3.7 Collective and Individual Rewards

Chen, et al (1999 p.49) literature also outlined the difference between these two rewards by emphasizing that system-wide rewards are those that are provided by the organization to a broad classification of employees and includes but not limited to medical insurance and profit sharing whereas Individual rewards are those provided to particular individuals but not to all individuals in a category, such as a merit salary increase. They also instigated that a variant form of the system-wide versus individual reward distinction is the group versus individual-based rewards of which they emphasized that individual-based rewards tend to be more differential (large difference among individual members) as they are contingent upon individual performance whereas group-based rewards are more egalitarian (small as they are contingent upon group or organizational performance).

2.3.8 Fixed and Variable Rewards

Chen, et al (1999 p.49) literature also outlined the difference between these two rewards by emphasizing that fixed rewards refer to rewards that are added onto base salary, such as a merit pay increase and that variable rewards are rewards provided one time only, such as a merit bonus. WorldatWork “The Total Reward Association” also emphasized that fixed pay is also known as base pay and that it is a nondiscretionary compensation which does not vary with employee performance or result achieved. The organization also established that variable pay is also known as “pay at risk” as it changes directly with employee level of performance or result achieved and it’s a one-time payment that must be re-established and re-earned each performance period⁷.

⁷ WorldatWork "The total Reward Associaation"
http://www.worldatwork.org/waw/home/html/compensation_home.jsp

2.3.9 Positive and Negative Rewards

Merchant, et al.(2007) defined the term reward as referring to things that employees value (positive rewards) and he also referred to the negative rewards that organisation sometimes provide as punishments. Below, Merchant, et al.(2007) illustrated good examples of the positive and negative rewards of which most of them were nonmonetary rewards with few monetary rewards.

Table 5 below illustrates some monetary and non-monetary rewards used in the workplace. Money is an important form of reward which at the managerial organizational levels is often linked to performance. Merchant, et al (2007 p.396) classified monetary rewards into three categories: Salary Increases, Short term Incentives and Long term Incentives.

Table 5: Shows Examples of some Positive and Negative Rewards used in organizations.

<i>Positive rewards</i>	<i>Negative rewards (punishments)</i>
Autonomy	Interference in job from superiors
Power	Loss of job
Opportunities to participate in import. decision-making processes	Zero salary increase
Salary increases	Assignment to unimportant tasks
Bonuses	Chastisement (public or private)
Stock options	No promotion
Restricted stock	Demotion
Praise	Public humiliation
Recognition	
Promotions	
Titles	
Job assignments	
Office assignments	
Reserved parking places	
Country club memberships	
Job security	
Merchandise prizes	
Vacation trips	
Participation in executive development programs	
Time off	

Source: Merchant, et al. (2007), "Management Control Systems: Performance Management, Evaluation and incentives" 2nd edition, p. 394

2.4.0 Salary Increases

Merchant, et al (2007, p.396) argued that employees at all organizational levels are offered salary increases by their employers which represent a small proportion of employee's salaries but yet have considerable value as they represent not just a one-time payment but rather provide an annuity that typically persists for many years as

employees salaries are rarely reduced. They also outlined that a portion of these salary increases represent cost-of-living adjustment while the remainder represent merit-based increases demonstrated through performance or the acquisition of skills that promise improved performance in the future.

Several surveys such as Mercer Human Resource Consulting (2006 p.14-16) "Worldwide Pay Survey" show that salary increases remain relatively stable over time and are, on average, in the 2 to 3% range above inflation worldwide, although there is quite some variation across countries depending on economic growth and labor market conditions.

2.4.1 Short term incentives

Short-term incentives are often called annual incentive pay or bonuses which provides cash payments based on performance of an individual or that of a group of which an individual is a member, such as a work team, profit center, or even the firm as a whole measured annually or less.

Merchant, et al (2007) highlighted that surveys carried out by Mercer Human Resource Consulting (2006) "Worldwide Pay Survey, Hewitt Associates (2005/2006) "Salary Increases Survey", and Work span (2005) indicates that while salary increases have been mostly flat, or even declining, in recent years, the use of variable pay is on the rise.

They also emphasized based on Towers Perrin (2005/2006 Worldwide Total Remuneration Survey Report) among other survey reports that short-term incentives, such as bonuses, commissions, and piece-rate payments are used nearly by all US firms above minimal size, and increasingly larger firms in many other countries. They also highlighted that companies which have at least one kind of short-term incentive plan constitutes nearly 80%.

They also emphasized that short-term incentive awards constitute a large proportion of the total annual compensation of higher-level managers or executives. A recent survey among 13,500 executives of about 1,700 US firms across industries shows that 69% of executives received annual bonuses and that the average bonus paid was 38.7% of base salary.

2.4.2 Long-term incentives

Merchant, et al (2007 p.397) described long-term incentive as awards based on performance measured over periods greater than one year with the primary objective in rewarding employees for their role in maximizing the firm's long-term value and in addition motivating employees in contributing to the firm's long-term success.

They also emphasized that long term incentives aim in attracting and retaining key talent by making total expected compensation more lucrative; by encouraging employee ownership of the firm; and by tying incentive payouts to service period requirements.

They argued that these rewards are restricted to relatively high levels of management because the long-term success of the firm is more easily attributable or sensitive to employee actions.

WorldatWork "The Total Rewards Association" also described long term incentive pay as a form of variable pay, designed to focus and reward performance over a period longer than one year and include stock options, restricted stock, performance shares, performance units and cash⁸.

Merchant, et al (2007 p.397) highlighted that the most common long-term incentive awards are equity-based which provide rewards based on changes in the value of the firm's stock and includes the following: Stock option plans; Restricted Stock plans, Performance Stock plans and Stock Appreciation plan.

2.4.3 Stock option plans

Stock option plans give employees the right to purchase a set number of shares of company stock at a set price (i.e. the exercise or strike price) during a specified period of time (i.e. after the options vest but before they expire).

Although stock option terms vary across firms, most options are granted at the money (i.e. the exercise price is equal to the stock price on the day of grant) with a three to five-year vesting rate (i.e. one third, one fourth, or one fifth of the options granted, respectively, vest at the end of each of the first three, four, or five years), and a 10 - year maturity (i.e. the options expire 10 years after they are granted).

When the stock price is above the option exercise price, the stock options are said to be in the money and the employee can exercise the vested options and either hold the

⁸ WorldatWork "The Total Reward Association"

http://www.worldatwork.org/waw/home/html/compensation_home.jsp

shares or sell them with a gain. However, when the strike price of vested options is higher than the stock price, the options are said to be underwater. Rather than having motivational effects, underwater options often are a source of major retention and morale problems, particularly if the firm's stock price malaise is deemed to persist.

While employees desire stock options because of the size of the potential gains, stock options also have several attractive features for the granting firms. From an incentive perspective, employees only benefit when the stock price goes up, so stock options motivate employees to increase their company's stock price. This improves incentive alignment as employees only benefit when shareholders benefit; that is, when the stock price goes up and presumably value has been created.

Moreover, the potential for share ownership associated with stock options also affects alignment by tying some of the employee's wealth to the company's future.

Finally, vesting schedules coupled with service-based restrictions that cause employees to forfeit unvested options when they leave the firm are believed to both enhance employees' long-term focus on the business as well as retention. Thus, stock options get employees to think more like owners while enhancing retention of talent.

Stock options also allow the firm to provide incentive compensation without cash outlay, which makes stock options a particularly attractive arrangement for small, growing firms because it allows them to defer compensation costs.

2.4.3.1 Restricted stock plans

Deloitte (2005) indicated that the first choice of majority of the firms surveyed for alternative forms of long-term equity-based incentives to replace traditional stock option plans was restricted stock.

Restricted stock unlike stock options which only provide a reward when the stock price exceeds the exercise price, has value when the stock price is flat or even declines. Because full-value stock awards like restricted stock have less risk than stock options, the firm can issue fewer shares compared with traditional stock options, thus causing less dilution.

But for the same reason, restricted stock has been derided as a giveaway or pay-for-pulse (rather than pay-for performance) because the restrictions on selling the stock disappear over time even if the employee does little more than showing up for work. For this reason, restricted stock is said to affect the retention rather than motivation of employees.

2.4.3.2 Performance stock plans

To eliminate the giveaway perception of restricted stock and accentuate pay-for performance, some firms have gravitated towards performance awards by making their stock grants contingent on the achievement of stock or non-stock goals over a multiyear performance period.

Types of performance awards include performance shares, performance share units, and performance option. Performance options stem from alternative stock option plans that make vesting or exercise of the options contingent on improvements in stock or nonstock goals. Performance options come in different forms.

Premium options have exercise prices greater than the stock price on the grant date. Indexed options have exercise prices contingent on performance relative to a peer group of firms. Performance-vested options link the vesting of the options to the achievement of performance targets, such as return on equity, earnings per share, or other financial or operating measures (e.g. sales growth).

2.4.3.3 Stock Appreciation Plans

Stock Appreciation Rights (SARs) are similar to options in that the employee benefits from appreciation in the company's stock price. They are different in that the employee does not have to spend cash to acquire the stock.

But like stock options, the employee typically can exercise the SAR at any point during the term (typically 10 years) after any specified vesting period. When the SAR is exercised, the firm pays the employee cash (Cash SARs), stock (Stock SARs), or a combination of both, in an amount equal to the stock's appreciation since the date of grant. There are many other possible long-term incentive instruments, but most are variants of stock options, restricted stock, performance awards, or stock appreciation plans. Evidence suggests that approximately 50% of firms use more than one long-term incentive.

In summary, the consideration of rewards system from the behaviour management perspective which view reward as a third management control tool which comes after performance and measurement respectively would provide the guide and opportunity in achieving certain desirable behaviours in the mining company.

The consideration of performance-dependent rewards or incentive would provide the generally understand of the three purposes served by these incentives: Informational or effort directing, motivational or effort inducing and personnel-related purposes.

According to the behavioural management perspective, rewards may be positive and negative and that the negative rewards are referred to as punishment. All forms of rewards that employees value in the workplace are called positive rewards. The understanding that rewards may be positive or negative provides the guide and opportunity in understanding which choice of reward to go for in achieving a particular behaviour in the workplace. According to behavioural management principles, incentives, such as money, feedback and social recognition, have an effect on employees' task performance.

The understanding according to the behavioural management perspective that incentives may be defined as either short term or long term is very crucial when it comes to selecting incentives in achieving certain behaviours in the workplace. Short term incentives are often called annual incentive pay or bonuses which provides cash payments based on performance of an individual or that of a group of which an individual is a member, such as a work team, profit center, or even the firm as a whole measured annually or less.

Long-term incentive are awards based on performance measured over periods greater than one year with the primary objective in rewarding employees for their role in maximizing the firm's long-term value and in addition motivating employees in contributing to the firm's long-term success. The most common long-term incentive awards are equity-based which provide rewards based on changes in the value of the firm's stock and includes the following: Stock option plans; Restricted Stock plans, Performance Stock plans and Stock Appreciation plan.

2.5.0 Total Reward Strategy

Cox et al.(2010, p.251) stated categorically that strategy is supposed to be about choice and competitive differentiation, which is undermined when reward practices are simply benchmarked and copied unthinkingly.

Designing and implementing a new reward strategy is a big challenge for many organizations as they do not have even a written strategy. According to the U.K. Chartered Institute for Personnel and Development's (CIPD's) recent annual reward management survey of nearly 500 organizations (2007, p. 3), only 35% have a written reward strategy. Moreover, 91% of managers surveyed believed that implementing a reward strategy was difficult or extremely difficult (CIPD, 2007, p. 3). Reported problems center on external environmental and regulatory changes, coupled with perceived resistance from line managers and this is consistent with research that shows slippage between the adoption and implementation of reward strategies.

Suff and Reilly (2004) provided a detailed review of the perils and pitfalls of variable pay systems and Suff, Reilly, and Cox (2008) reviewed in detail the many problems

found in implementing individual performance related-pay (IPRP). Even in financial service companies, which possess some of the characteristics most likely to support IPRP.

Lewis (1998) found significant negative effects of pay systems on employee motivation and performance. Cox (2005) carried out a comparative case-study analysis of three types of variable pay system. The managers involved reported that the pay systems did not have as much impact as they had hoped and, in many cases, had created damaging side effects—for example, on teamworking.

Werner and Ward (2004) literature review conclusion of a large number of articles in mostly U.S. journals emphasized that: “The research on motivation shows that individual incentives are positively related to work motivation, but the strength of the relationship is overestimated and it may reduce intrinsic motivation in certain specific situations” (p. 213).

Burgess and Metcalfe’s (1999) meta-analysis of research on incentives from all over the world leads them to conclude that “employees do respond to cash incentives” but “often in sophisticated ways that may or may not benefit the organization” (p. 4). In the United Kingdom, Brown and Nolan more damningly put it, “research literature on the consequences of cash incentives is generally . . . repetitive and disillusioning” (1988, p. 351).

Gerhart and Rynes (2003) tackled the problem that the focus on pay may be counterproductive by pointing out that some research suggests that individuals who place a higher relative value on pay may have characteristics that make them undesirable for many roles. For example, they may be more risk seeking and have a tendency to low organizational commitment. Blinder’s (1990, p.7) advised the general workforce population by emphasizing that “changing the way employees are treated may have more impact than changing the way they are paid” .

Cox et al. (2010, p.252) in their effort in trying to remedy the situation that "if it is likely that managers are spending too much time trying to incentivize employees with financial rewards and agonizing over the design of bonus schemes whose effectiveness may be limited, why is this?" proposed three solutions which are as follows:

- ❖ Firstly, managers are obsessed in connecting reward strategy to business strategy, which had been the Holy Grail of reward since the early 1990s.
- ❖ Secondly, research that might point us in a different direction away from financial reward to influence employees is systematically ignored due to the dominance of particular disciplines within management and business.

- ❖ Thirdly, identifying, prioritizing, and implementing alternative methods of influencing behavior to financial reward are even harder for managers than wrestling with the minutiae of pay-system modeling, and they often appear to lack the skills to create a totally rewarding context that can help to engage their staff and encourage high performance.

Cox et al.(2010, p.252) in their effort in examining whether employee views are neglected in the formulation of reward strategies, they emphasized that employee expectations for involvement in reward systems are likely to be influenced by national cultures. Employees in countries with more collective orientations to decision making may not expect or want direct involvement, but they may expect managers to make decisions that will meet their needs. In countries without strong collective bargaining, employee involvement in reward-system design is often missing, with fewer than 10% of employees contributing according to one U.K. survey (CIPD, 2006). The CIPD not surprisingly found that 30% of organizations subsequently reported staff attitudes as a barrier to the successful operation of the reward strategy (CIPD, 2006).

Werner and Ward (2004) were more skeptical and noted the paucity of research investigating how organizational culture influences the development of reward systems.

Cox et al. (2010) emphasized that even where employees are offered voice in relation to reward, it tends to consist of two narrow types with the First being the consideration of employee preferences, which refers to their choices within a heavily circumscribed system, exclusively consisting of material and mostly financial rewards.

Even research exploring cultural variations in attitudes to reward also seems remarkably fixated on comparing perspectives on pay systems in different countries (Mamman, Sulaiman, & Fadel, 1996). This work asks about “within-system” preferences that offer the opportunity to influence design of scheme, but not the choice of scheme itself.

O’Neill (1995, p. 110) emphasized that even in common models to develop a total reward strategy, employee views and preferences do not generally appear at all within the “workforce demographics” category. Discussions of total rewards in companies often seem to focus very narrowly on flexible benefits arrangements, which, again, are often implemented in a provider-led, relatively generic and packaged way, offering employees relatively narrow choices as to the makeup of their rewards.

Reilly and Brown (2008, p. 43) argued that often there is little empirical or even theoretical basis for much of the organizational activity on employee engagement, and the link with reward practices is “an under-emphasized, under-leveraged and still misunderstood area.”

Cox et al. (2010, p.256) emphasized that recent work on the concept of employee “engagement” by both the Institute for Employment Studies and the CIPD in the United Kingdom has shown that pay and benefits do not tend to appear as the most important items in predicting positive employee behaviors, although little research has been located that explores this concept in the rest of Europe.

Robinson et al. (2007) showed that feeling involved in and valued at the workplace, together with job satisfaction, are the most important elements here. Ambrose and Kulik’s review also reports some evidence to show that praise and recognition from supervisors had positive effects in improving employee performance across a variety of occupations, but go on to note that research into this kind of reinforcement theory is in its infancy (1999, p.266).

Smith, and Hansen (2002) emphasized that once employees are recruited, there is a sharp distinction between the function of reward and recognition in organizations, using the work of the motivation theorists to underpin them and also argued that reward systems function as control mechanisms and will only yield minimally compliant behaviors, whereas recognition mechanisms are more likely to reward exceptional effort appropriately.

In summary, strategy offer sustainable competitive advantage for companies and that companies must endeavour to differentiate their strategy from others in-order to reap this benefit. The review of total reward strategy literature would provide a guide and opportunity in understanding the various factors which had accounted for failures in many companies and organizational-wide reward strategies. This would offer the opportunity to cross check whether the case study company is not suffering from the same problem

Table 6: Total Reward Strategy and Definition

Total Rewards Strategy	Definition
COMPENSATION	
Base pay	Wage and Salaries
Merit pay	Base-pay increases based on employee performance
Incentives	Cash bonuses based on employee performance
Promotions	Base-pay increases based on potential to perform new job
Pay Increases	Base-pay increases based on length of service with the organization
BENEFITS	
Health and welfare	Payment for injuries and illness both on and off the job
Paid time off	Payment for vacation time or excused days from work
Retirement	Payment for work no longer performed based on length of employment
PERSONAL GROWTH	
Training	Skill development through on- or off-the-job instruction
Career development	On-the-job coaching to develop skills
Performance management	Ongoing goal setting and feedback to develop skills

Source: Heneman, R.L (2007) " Implementing Total Rewards Strategies: A guide to successfully planning and implementing a total rewards system" SHRM Foundation's Effective Practice Guidelines Series, p.3

CHAPTER THREE

3.0 METHODOLOGY

3.1.0 The Setting-Corporate Profile of Golden Star Resources

Golden Star Resources (GSR) is a mid-tier gold mining company over a quarter-century in age and total historical production of over two million ounces of gold. The Company has two operating mines situated along the prolific Ashanti Gold Belt in Ghana, West Africa. The company has a long-term commitment to sustainability with particular emphasis on health, education and the environment.

Golden Star's goal is to grow its business in Ghana, other selected countries in West Africa through organic growth and accretive acquisitions. The Company is well financed and has a strong, experienced and operationally focused management team. Golden Star Resources is currently running exploration and gold production activities in the following countries: Ghana, Burkina Faso, Cote d'Ivoire, Niger, Sierra Leone, Suriname and Brazil⁹.

3.1.1 Corporate Strategy

Since 1999 Golden Star has successfully transitioned from being a focused gold explorer into a mid-tier gold producer, while still maintaining an emphasis on exploration. The Company expects to grow its gold business with a continuing focus on organic growth from the exploration and development of existing assets.

Recognizing that consolidation can lead to improved fundamentals and increased competitive strength, Golden Star is open to transactions that bring producing and exploration assets which have synergy with the Company's existing activities and will improve shareholder value¹⁰.

3.1.2 Vision and Values

To build a brand name mining company that:

- ❖ Delivers superior returns to investors
- ❖ Attracts and retains the best talent
- ❖ Is committed to international best practices and conduct, and

⁹ Golden Star Resources Corporate Profile: <http://www.gsr.com/Corporate/Index.asp>

¹⁰ Golden Star Resources Corporate Strategy: <http://www.gsr.com/Corporate/CorporateStrategy.asp>

- ❖ Is a partner of choice for host communities and governments¹¹.

3.1.3 The HR Configuration of Golden Star (Bogoso/Prestea) Limited

The HR configuration of Golden Star Resources include a broad range of HR practices, such as staffing, learning, training and development, performance appraisal, compensation and rewards, job design, internal promotion, job security, information sharing and participation. GSR understands and recognizes its employees as the company's greatest asset and that in response to pressures from competitors, shareholders, and customers, Golden Star Resources seek to increase its output, performance and competitiveness in the market by leveraging the full capabilities of all employees. Thus Golden Star Resources considers its human resource as a key asset that constitutes a source of competitive advantage.

Golden Star Resources treat human resource management as a set of complementary practices aligned with the firm's goals and strategies as means of providing the company a basis of competitive advantage. GSR's contingency of strategic approach emphasizes the need for the HR practices to be contingent upon the company's business strategy in order to be effective. Thus the company integrates the HRM with business strategy more effectively to gain competitive advantage.

Golden Star Resources' HR practices are configured on a mix of approaches such as the resource-based, control-based and market-based.

The resource-based view is geared towards the internal development of employee competencies as opposed to the market acquisition of such competencies. GSR's internal development HR system is characterized by extensive training, promotion within, developmental appraisal, skill-based pay and job security (contract jobs & permanent).

The control-based focuses on monitoring of employee behaviours, employees' compliance with process-based standards. The process-based standards can be divided into two alternatives: process-oriented control or outcome-oriented control. GSR's outcome-oriented control is characterized by extensive long-term rewards such as stocks, long service awards (5 yrs of continuous service), employee participation and involvement. GSR's process-oriented control is characterized with fixed and explicit job design, formalization, evaluation through carefully prescribed job requirements and efficiency-based reward.

Golden Star Resources also embarks on a market-based HR system which emphasizes staffing and deployment of skills for immediate contribution with some reliance on

¹¹ Golden Star Resources Sustainability Report 2010:
<http://www.gsr.com/PDFs/GSRAnnualSustainabilityReport2010.pdf>

external labor market for securing the right people to do the jobs. This approach is used to staff or deploy the right skills from the market when GSR has no suitable internal candidate to fill a particular position. Thus GSR has employer brand of internal recruitment of staff for available positions before consideration of the general public.

Also based on the value and uniqueness of employee skills, GSR HR configurations could be categorized into four: commitment-based, productivity-based, compliance-based, and collaborative-based:

GSR Commitment-based HR system fosters employee involvement and maximizes the company's return on human capital investments. Here, GSR invest substantially in its employees to develop unique skills in their current role through extensive training initiatives. GSR encourages the employees to learn and master specific competences in their very role. Pay are designed to link to job grade (seniority-based) and not based on performance on the job. Therefore employees seek to excel in their current position through good appraisal result to enable them to be moved to better job grades.

GSR Compliance-based HR activities focus on securing compliance with the terms and conditions and that GSR HR activities concentrate on enforcing rules /regulations, along with the attainment of pre-establish standards. Training and compensation are likely to be job-based.

GSR collaborative-based HR systems encourage cooperation, collaboration and information sharing between superiors and subordinates. The annual bonus scheme in the form of financial reward (monetary) is awarded on individual basis based on Companywide-performance. It is calculated based on the individual job grade (number of months of employee job grade monthly salary, eg 2 months employee monthly salary, 3 months employee monthly salary). The appraisal result also determines to some degree the employee chances of promotion to a better job grade than his/her current job grade. GSR encourages subordinates and superiors to develop trust and collaboration with each other in accomplishing their duties as employees.

With the productivity-based, GSR after recognizing it does not have the persons with the requisite skills quickly enter the external labor market to recruit people with the requisite skills in order to keep productivity levels ongoing. Thus, in this scenario, the company in some cases does not wait to develop people within the company for such positions as delays could affect productivity levels and companywide performance and in effect shareholder returns.

GSR uses cost reduction business strategy which involves striving in exploring and producing cheaply than competitors by relying heavily on the experiences and investment in its talents in gaining competitive advantage in areas such as employee retention, recruitment and selection, manpower availability, etc. GSR HR practices for cost reduction strategy maximize efficiency by using narrowly design jobs, close monitoring and some level of Learning, training and development.

3.2.0 Research Design

The research was based along the continuum of positivism main paradigm. According to Collis and Hussey (2009, p.55-57), a research paradigm is a framework that guides how research should be conducted, based on people's philosophies and their assumptions about the world and the nature of knowledge. Positivism is a paradigm that originated in the natural sciences and is underpinned by the belief that social reality is independent of people and the goal is the discovery of theories based on empirical research. The philosophical assumptions underpinning the positivism paradigm of this research study are the ontological, axiological and the methodological assumptions. The ontological assumption considers that social reality is objective and external to the research and that there is only one reality. The axiological assumption considers that research is value-free and unbiased. The methodological assumption considers that the process of research is deductive and the research is context free and that generalizations lead to prediction, explanation and understanding and the results are accurate and reliable through validity and reliability.

The researcher used a combined methodology of qualitative and quantitative study embedded in a case study company and that the research was not very interpretivistic, rather positivistic because there exists data out in the world which could be captured.

The data collection methods employed in this research study were questionnaire survey and structured interview with the Human Resources and Administration Manager. This implies that the researcher employed triangulation and to be more specific methodological triangulation as more than one method (multiple sources of data) was used to collect the data in this research study.

According to Easterby-Smith, Thorpe and Lowe (1991), methodological triangulation is when more than one method is used to collect and/or analyze the data, but it is important to choose from the same paradigm (Collis and Hussey 2009, p.85).

According to Collins and Hussey (2009, p.144), under a positivist paradigm, interviews are structured, which means the questions are planned in advance (as in a questionnaire) and all types of interviews can be conducted with individuals or groups, using face-to-face, telephone, email or video conferencing methods. The distribution method employed in the distribution of the questionnaire to the respondents was a face-to-face method. Collins and Hussey (2009, p.193) emphasized that face-to-face method of questionnaire distribution offers the advantage that response rates can be fairly high and comprehensive data can be collected. The data obtained from this natural setting using the questionnaire survey and the structured interview thus represents a primary source of data.

3.2.1 Sample Size Determination

The unit of analysis is basically employees of Golden Star (Bogoso/Prestea) Limited (GSB/PL). A sample of 278 employees was drawn from a population of 1029 employees based on Krejcie and Morgan (1970, p.610) and Collis and Hussey (2009, p.210-11) minimum sample size determination.

According to Krejcie and Morgan (1970, p.610) and Collis and Hussey (2009, p.210-11), “the minimum sample size to allow results from a random sample to be generalized to the population is much higher for a small population than it is for a large population and that as the population increases, the sample size increases at a diminishing rate and remain relatively constant at slightly more than 380 cases”. The table shown below at the end of this methodology section provides a structured way of determining the sample size from a given population.

The Human Resources and Administration Department of Golden Star (Bogoso/Prestea) Limited supplied the sampling frame from which the sample size of 278 was drawn. The sampling frame supplied by GSB/PL Human Resources Department indicated that GSB/PL has a total of 1029 employees of which 56 (5.4%) are in the management category, 159 (15.5%) are senior staffs, 804 (78.1) % are junior staffs and 10 (1.0%) are trainees. The sampling method used in this study was stratified sampling.

According to Collis and Hussey (2009, p.212), "Stratified sampling overcomes the problem that a simple random sample might result in some members of the population being significantly under-or over-represented and it does this by taking account of each identifiable strata of the population. Based on the stratified sampling method, the following percentages (5.4%, 15.5%, 78.1% and 1.0%) were then found out of the 278 sample size to establish the number of employees in each category to be sampled. Based on this information, only 15, 43, 217 and 3 employees representing management, senior staff, junior staff and trainees respectively from each category were sampled. In total 278 questionnaires were administered to the employees and in totality, it took seven weeks to receive all the questionnaires from the respondents. The response rate was found to be 100% as all the respondents finally handed in their responses though some took longer time in handing over their responses. The 100% response rate could be attributed to a number of factors such as the face-to-face method of questionnaire distribution. Collins and Hussey (2009, p.193) emphasized that face-to-face method of questionnaire distribution offers the advantage that response rates can be fairly high and comprehensive data can be collected. The 100% response rate could also be attributed to the sampling method employed as it allowed only a limited number of employees in each category to participate in the study and that researcher is able to draw randomly within each category of employees. When those employees who submitted their responses late were asked what accounted for the long delays, most of them attributed it to busy work schedule and absence from office.

Also, the Human Resources and Administration Manager of Golden Star (Bogoso/Prestea) limited was interviewed on the GSB/PL reward systems in place and the critical success factors considered in the design and implementation of the company's reward systems.

In the study, the employees were categorized into four generational groups based on their ages: Before 1940 (Silent Gen, n=0); 1940-1964 (Baby Boomer Gen, n=28); 1965-1978 (Gen X, n=91) and 1979-1994 (Gen Y, n=159). Also, respondents were also categorized into four staff categorizations: Management (n=15), Senior Officers (n=43), Junior Officers (n=217) and Trainee (n=3)

Respondents were given five reward packages labeled Profile 1, Profile 2, Profile 3, Profile 4 and Profile 5 of which they were asked to select which reward package they prefer most and the minimum profile they would consider worth selecting. Respondents were also asked to select from a predetermined list of reward factors which rewards when in absence could lead to dissatisfaction in their current job. In similar manner, respondents were also asked to select which factors would motivate them to stay in their current job or role. The factors/dimensions considered in establishing each reward package (Profile) and assessing employees dissatisfaction, satisfaction and motivation were based partly on Cox et al. (2010, p.253) Total reward dimensions (adapted from CIPD, 2007) and on Herzberg Two Factor Theory (Hygiene factors and Satisfiers). Also respondents were given the opportunity to openly express which reward they prefer most.

The data obtained from the respondents were analyzed based in two ways: Firstly, the data was analyzed based on the generational group as Silent Generation, Baby Boom Generation, Generation X and Generation Y and secondly based on the staff categorization as management, senior staff, junior staff and trainees.

Table 7: Sample Size Determination

<i>Determining Sample size from a given population</i>	
Population	Sample size
10	10
100	80
200	132
300	169
400	196
500	217
700	248
1000	278
2000	322
3000	341
4000	351
5000	357
7000	364
10000	370
20000	377
50000	381
75000	382
≥1000000	384

Source: Adapted from Collis and Hussey (2009, p.211)

CHAPTER FOUR

4.0 RESULT FROM THE STUDY

Based on the questionnaires administered to 278 employees which comprised of 15 employees in the management category, 43 senior staff, 217 junior staff and 3 trainees, the following results were achieved:

Table 8a: Shows factors which the various generational groups perceive when in absence or inadequate could lead to dissatisfaction in their current role or position

<i>Age/Factor</i>	<i>Before 1940</i>	<i>1940- 1965</i>	<i>1965- 1978</i>	<i>1979- 1994</i>
High Salary and Bonuses		18	45	76
Supervision		3	4	7
Good Working Environment			8	10
Long Term Job Security			17	15
Promotion		3	7	30
Praise and Recognition			4	9
Attractive company policy and admin.		4	6	12
Total	0	28	91	159

From the study, it was observed that the 278 sample size comprises of only three generational groups: Baby Boom generation, Generation X and Generation Y. Of the 278 sample size, 28 (10%) were baby boom Gen, 91 (33%) were Gen X and 159 (57%) were Gen Y. There was no silent generation and this could be attributed to the fact that employees have to proceed on retirement or pension at the age of 60 yrs as the laws of the country stipulates. Also of this 278 employees sampled, 5% were management, 16% were senior staff, 78% were junior staff and 1% were trainees. See appendix 1 and 2.

Considering Table 8a, it could be seen that out of 278 employees sampled, 139 representing 50% of the sample size indicated high salary and bonuses, 40 (14.4%) indicated promotion, 32 (11.5%) indicated long term job security, 22 (7.95%) indicated attractive company policy and administration, 18 (6.5%) indicated good working environment, 14 (5%) indicated supervision and 13 (4.7%) indicated praise and recognition as the factors when not available or satisfied could lead to dissatisfaction in their current role but when they are satisfied or available also they do not motivate or cause satisfaction. Of the 40 employees who indicated promotion, 10.7% were employees of the baby boom generation, 7.7 % were employees of Gen X and 18.9% were employees of Gen Y.

Aside, the Baby Boom generation which did not indicate good working environment, long term job security and praises and recognition as factors when not available or satisfied could lead to dissatisfaction in their current role or position, all other generational groups indicated all the factors considered in the questionnaire.

Thus, the study partly confirms Brooks (2009, p.93-4) assertion that factors such as salary or remuneration, job security, working conditions and company policies are hygiene or contextual factors and that they are extrinsic to the actual work itself and these factors can cause employee dissatisfaction when not satisfied or available but when they are satisfied or available also they do not motivate or cause satisfaction but only prevent employee dissatisfaction.

This study results also partly confirms Lundberg et al (2008, p. 891) emphasis that according to Herzberg, factors such as company policy , salary, and interpersonal relations can cause dissatisfaction when not satisfied and however when satisfied these factors do not motivate or cause satisfaction, but they only prevent dissatisfaction.

Of the 139 (50%) out of 278 sampled employees who indicated high salary and bonuses, as the factors when not available or satisfied could lead to dissatisfaction in their current role or position, 64.29% were of Baby Boom GEN, 49.45% were of GEN X and 47.80% were of GEN Y. Also, 26.67%, 60.47%, 49.31% and 66.67% were of management, senior staff, junior staff and trainee categories respectively. Based on employees higher responses to cash incentives, this study confirms Cox et. al (2010, p.251) emphasis on Burgess and Metcalfe's (1999) meta-analysis of research on incentives from all over the world which leads them to conclude that "employees do respond to cash incentives" but "often in sophisticated ways that may or may not benefit the organization"

Table 8b: Shows factors which the various staff categories perceive when in absence or inadequate could lead to dissatisfaction in their current role or position

<i>Staff Category/Factor</i>	<i>Management</i>	<i>Senior</i>	<i>Junior</i>	<i>Trainee</i>
High Salary and Bonuses	4	26	107	2
Supervision	1	2	11	
Good Working Environment	4	2	12	
Long term Job Security		4	28	
Promotion	2	5	33	
Praise and Recognition		1	11	1
Attractive com. policy and admin.	4	3	15	
Total	15	43	217	3

Considering Table 8b, It could be seen that 66.67% of the trainees indicated high salary and bonuses whereas 26.67%, 60.47% and 49.31% representing management, senior staff and Junior staff categories respectively indicated high salary and bonuses as factors when not available or satisfied could lead to dissatisfaction in their current role but when they are satisfied or available also they do not motivate or cause satisfaction. Thus the trainees being the youngest generation indicated the highest percentage that high salary and bonuses only prevent employee dissatisfaction and that do not actually motivate or brings about satisfaction. Of the 40 employees who indicated promotion, 13% were of management category, 12% were of senior staff category and 15% were of junior staff category. The interest of employees in this reward system could be attributed to the fact that employee promotion in the company goes with corresponding increase in salary or pay level implying more increase in financial rewards and other benefits.

In assessing which factors has the highest tendency of increasing employees level of satisfaction and motivation in their current role or position, the following data were obtained from the different generational groups and staff categories. The table below depicts which factors employees perceive as having the highest tendency of increasing their level of satisfaction and motivation in their current role or position

Table 9a: Shows factors which the various generational groups perceive as having the highest tendency of increasing employee's satisfaction and motivation in current role or position.

Age/Factor	Before 1940	1940-1965	1965-1978	1979-1994
High Salary and Bonuses		12	34	67
Praise and Recognition			8	10
High Sense of Achievement			7	12
High Personal Growth		4	8	13
High Responsibility			6	11
Promotion			12	17
Job Security		8	5	7
Flexible Work Schedule		4	11	22
	0	28	91	159

Considering Table 9a, in assessing which factors leads to employee satisfaction and motivation, out of the 278 respondents, 113 (40.65%) indicated high salary and bonuses, 37 (13.3%) indicated flexible work schedule, 29 (10.43%) indicated promotion, 25 (9%) indicated high personal growth, 20 (7.19%) indicated job security, 19 (6.84%) indicated high sense of achievement, 18 (6.48%) indicated praise and recognition, 17 (6.11%) indicated high responsibility. Of the 113 employees who indicated high salary and bonuses, 42.86% were of Baby Boom GEN, 37.36% were of GEN X and 42.14% were of Gen Y. Out of this 113 employees who indicated high

salary and bonuses, 40% were of management category, 37.21% were of senior staff category, 41.01% were of junior staff category and 66.67% were of traineeship category. Also, of the 37 (13.31%) out of the 278 employees who indicated flexible work schedule, 14.29% were employees of the baby boom generation, 12.09 % were employees of GEN X and 13.84% were employees of GEN Y.

Thus, the study confirms William et al. (2006, p392-413) recent empirical study which found that employees felt more satisfied with their pay level when they had: Positive perceptions of pay for performance, positive perceptions of their job design, larger base pay, larger pay increases, perceptions of pay fairness.

Table 9b: Shows factors which the various staff categories perceive as having the highest tendency of increasing employees satisfaction and motivation in their current role or position.

<i>Staff Grade/Factors</i>	<i>MGT</i>	<i>Senior Staff</i>	<i>Junior Staff</i>	<i>Trainee</i>
High Salary and Bonuses	6	16	89	2
Praise and Recognition	1	2	14	1
High Sense of Achievement	2	2	15	
High Personal Growth	3	2	20	
High Responsibility		2	15	
Promotion	2	6	21	
Job Security	1	4	15	
Flexible Work Schedule		9	28	
	15	43	217	3

Considering Table 9b, It could be seen that 66.67% of the trainees indicated high salary and bonuses whereas 40%, 37.21% and 41% representing management, senior staff and Junior staff categories respectively indicated high salary and bonuses as factors having the highest tendency of increasing employees satisfaction and motivation in their current role or position. Out of this 37 employees who indicated flexible work schedule, 20.95% were of senior staff category and 12.90% were of junior staff category. There were no employees in the management and traineeship categories. Aside, the high salary and bonuses, respondents in the various staff categories indicated appreciable and diverse factors such as flexible work schedule, job security, promotion, high responsibility, high personal growth, high sense of achievement and praises and recognition as factors with the highest tendency in increasing employee satisfaction and motivation in their current role or position.

In assessing which rewards employee prefer most in their current position or role, the following data were obtained from the study:

Table 10a: Shows which reward the various generational groups prefer most in relation with their current role or position

Age/Factor	Before 1940	1940-1965	1965-1978	1979-1994
High Salary and Bonuses		9	38	68
Training and Learning opportunities		4	7	12
Job Security		4	4	9
Flexible Pension Scheme		5	4	4
Company Stock options		3	5	6
High Personal growth			5	11
Career advancement			4	7
Praises and Recognition			5	5
Flexible Work Schedule			4	14
Promotions		3	6	11
Good Working Environment			4	8
Attractive company policy and admin.			5	4
	0	28	91	159

Considering Table 10a, when employees were asked to indicate which reward they prefer most in relation to their current position or role, out of the 278 respondents, 115 (41.37%) indicated high salaries and bonuses. Of this, 42.77% were employees of GEN Y, 41.77% were employees of GEN X and 32.14% were employees of Baby Boom GEN sampled. Out of this 115 employees who indicated high salary and bonuses, 33.33% were of management category, 30.23% were of senior staff category, 43.22% were of junior staff category and 100% were of traineeship category.

Also, 23 (8.27%), 17 (6.12%), 13(4.68%), 14(5.04%), 16 (5.76%), 11(3.96%), 10(3.60%), 18 (6.47%), 20(7.19%), 12 (4.32%), and 9 (3.24%) out of the 278 employees sampled indicated other preferences such as training and learning opportunities, job security, flexible pension scheme, company stock option, high personal growth, career advancement, praises and recognition, flexible work schedule, promotions, good working environment and attractive company policy and administration respectively.

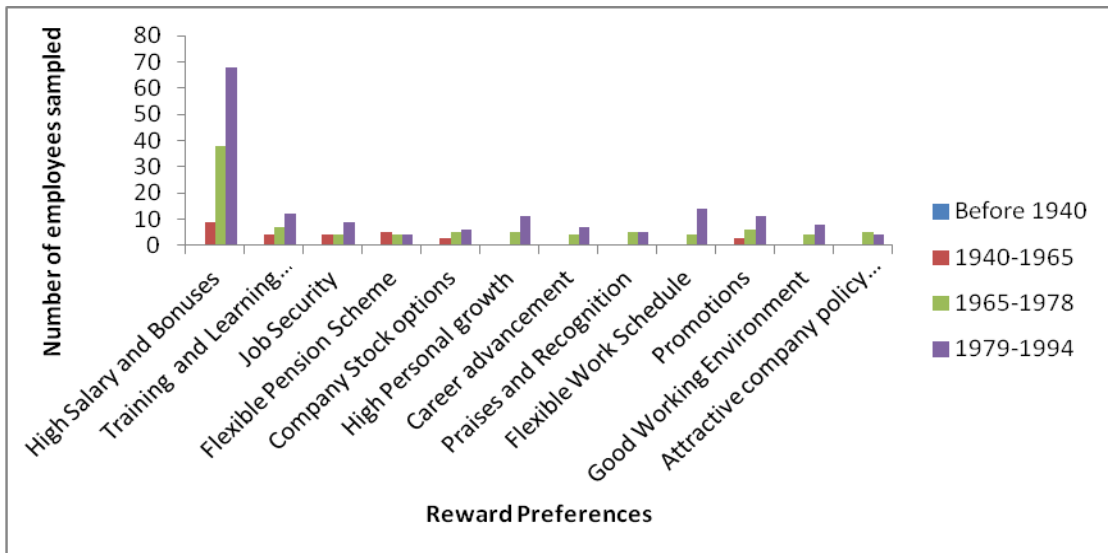


Fig 2a: Bar graph which depicts the reward preferences of the various generational groups

Table 10b: Shows which reward the various staff categories prefer most in relation with their current role or position

Staff Grade/Factors	Management	Senior Staff	Junior Staff	Trainee
High Salary and Bonuses	5	13	94	3
Training and Learning opportunities	2	6	15	
Job Security	1	1	15	
Flexible Pension Scheme	1	3	9	
Company Stock options	2	3	9	
High Personal growth	2	1	13	
Career advancement	0	2	9	
Praises and Recognition	0	2	8	
Flexible Work Schedule	0	5	13	
Promotions	1	4	15	
Good Working Environment	0	1	11	
Attractive company policy and admin.	1	2	6	
	15	43	217	3

Considering Table 10b, of the 278 respondents, 33.33% of the management category indicated high salary and bonuses as the most preferred reward in relation to their current role or position. Similarly, 30.23%, 43.31% and 100% representing senior staff, junior staff and trainee categories respectively indicated high salary and bonuses as the most preferred reward in relation to their current role or positions. Aside the management category where respondents did not show preference for career advancement, praises and recognition, flexible work schedule and good working environment, respondents in senior and junior staff position indicated preferences of all

these rewards in addition with other rewards such as high salary and bonuses, training and learning opportunities, flexible pension scheme, company stock option, high personal growth, promotion and attractive company policy and administration. Also respondents in the traineeship category only indicated preference for high salary and bonuses but did not indicate preferences for the other rewards.



Fig 2b: Bar graph which depicts the reward preferences of the various staff categorizations

In assessing which reward package profile employees prefer most, the following data were obtained for the various generational groups and staff categories.

Table 11a: shows which reward package profiles the various generational groups prefer most

Age/Reward Pack Profile	Before 1940	1940-1965	1965-1978	1979-1994
Profile 1		6	3	4
Profile 2		10	2	41
Profile 3		2	56	62
Profile 4		3	21	29
Profile 5		7	9	23
Total	0	28	91	159

Table 11b: shows which reward package profiles the various staff categories prefer most

<i>Staff Grade/ Reward Pack. Profile</i>	<i>Management</i>	<i>Senior Staff</i>	<i>Junior Staff</i>	<i>Trainee</i>
Profile 1		1	12	
Profile 2	3	13	36	1
Profile 3	6	18	95	1
Profile 4	4	8	40	1
Profile 5	2	3	34	
Total	15	43	217	3

Considering Table 11a and 11b, out of the 278 employees sampled, 120 (43.17%) indicated reward package Profile 3 as most preferred package, 53 (19.06%) indicated reward package Profile 2, 53 (19.06%) reward package Profile 4, 39 (14.03%) indicated reward package profile 5 and 13(4.68%) indicated reward package profile 1. Of the 120 employees who indicated reward package profile 3 as the most preferred option, 7.14% were of Baby Boom GEN, 61.54% were of GEN X and 38.99% were of GEN Y. Out of the 120 employees who indicated reward package Profile 3 as the most preferred option, 40.00% were of management category, 41.86% were of senior staff category, 43.78% were of junior staff category and 33.33% were of traineeship category.

Similarly, of the 53 employees who indicated reward package Profile 2 as the most preferred option, 35.71% were of Baby Boom GEN, 2.20% were of GEN X and 25.79% were of GEN Y. Out of the 53 employees who indicated reward package Profile 2 as the most preferred option, 20.00% were of management category, 30.23% were of senior staff category, 16.59% were of junior staff category and 33.33% were of traineeship category.

Similarly, of the 53 employees who indicated reward package Profile 4 as the most preferred option, 10.71% were of Baby Boom GEN, 23.08% were of GEN X and 18.241% were of GEN Y. Out of the 53 employees who indicated reward package Profile 4 as the most preferred option, 26.67% were of management category, 18.60% were of senior staff category, 18.43% were of junior staff category and 33.33% were of traineeship category.

Similarly, of the 39 employees who indicated reward package Profile 5 as the most preferred option, 25.00% were of Baby Boom GEN, 9.89% were of GEN X and 14.47% were of GEN Y. Out of the 39 employees who indicated reward package Profile 5 as the most preferred option, 13.33% were of management category, 6.98% were of senior staff category and 16.67% were of junior staff category.

Similarly, of the 13 employees who indicated reward package Profile 1 as the most preferred option, 21.43% were of Baby Boom GEN, 3.30% were of GEN X and 2.52% were of GEN Y. Out of the 13 employees who indicated reward package Profile 1 as the most preferred option, 2.33% were of senior staff category and 5.53% were of junior staff category.

According to Warneke et al. (2011, p.238), in particular, job choice depends on job satisfaction, which in turn depends on the package of the wage and non-wage characteristics of the job (Clark, 1997; Rosen, 1974; Thaler and Rosen, 1976; van Ophem, 1991). Also, reward preferences have been found to relate closely to job preferences and to job search decisions (Cable and Judge, 1994; Jurgensen, 1978), and have a tendency to change across the life course and different types of work and therefore a good idea or understanding of the reward preferences of an ideal job applicant might help the organization in increasing its attractiveness and becoming economically more effective (Cable and Judge, 1994).

In analyzing the reward package profile 3, it could be seen that it is more financially oriented with the job tenure being short term. This implies that the younger generations like GEN X and GEN Y lookout for more financial incentives rather than the tenure of employment (Job security). It could also be implicated those younger generations like GEN X and GEN Y places more emphasis on financial incentives than intrinsic factors such as career advancement and personal growth. Management high preference for Profile 3 could also be attributed to the high Salary and high bonuses as well as share ownership plan. The high preference of junior staffs for this profile could mainly be attributed to the high financial incentives attached to this option. The high preference of senior staffs for this profile could also be attributed to the high financial benefits and high opportunity to grow through personal coach or mentors.

With regards to reward package profile 2, the high preference of the baby boom generation could be attributed mainly to the long term tenure of employment (job security), the flexible pension scheme which would offer staff opportunity to extend their pension dates and earn higher pension benefits and the share ownership plan. Most of these baby boomers are close to their pension age and as such they are seeking ways which would give them the opportunity to extend their tenure of employment (job security) and thus earn the corresponding higher pension benefits. Also, because most of the baby boom GEN are close to pension age, they prefer to stay in one job than having to be moving from one job to another. Some studies have indicated that by age, preferences shift from pay raises to other benefits and become more diverse (Doering et al. 1983).

Doering et al. (1983), who analysed some classical studies, found that older employees preferred increased pension and related benefits and were willing to forego pay increases, additional vacations and shorter work weeks in order to acquire them. The preference of the GEN X for this option could be attributed to the high intrinsic factors

such as intensive overseas training and learning opportunities, personal growth and career advancement. Both the baby boomers and GEN Xers preference could also be attributed to the high level of internal promotions as promotions basically comes with increases in salaries and other benefits which they might be anticipating as attractive. GEN Y exhibited low preference and this could be attributed to the fact that the package is more focussed on retirement benefits and less financially oriented and they might be of the opinion that they are not yet close to the pension age to be focusing deeply on pension benefits.

With regards to reward package profile 4, the higher preferences of the GEN Y and GEN X could be attributed to high financial incentives, in-house learning and training opportunities on annual basis and high potential for personal growth. The few employees of the baby boom GEN who indicated profile 4 as the most preferred option could had been attracted by the long term tenure of employment (job security). Also, the absence of flexible pension scheme and benefits as well as limited share ownership plan to all employees except management members could have accounted for the lower percentage of the Baby Boom GEN which indicated preference for profile 4.

With regards to the reward package profile 5, 25% of the Baby Boom GEN indicated their most preferred option as profile 5 and this could be attributed to factors such as life employment tenure (job security) and extraordinary pension package for employees. The 9.89% and 14.47% of the GEN X and GEN Y respectively who indicated their most preferred option as profile 5 could be attributed to the learning and training opportunities on annual basis, high potential for career advancement and high potential for personal growth.

With regards to the reward package profile 1, 21.43% of the Baby Boom GEN indicated their most preferred option as profile 1 and this could be attributed mainly to factors such as long term tenure of employment (long term job security), flexible pension scheme such as higher pension benefits for those who extends their pension date and higher bonuses (financial incentive). The 3.30% and 2.52% of the GEN X and GEN Y respectively who indicated their most preferred option as profile 1 could be attributed to the high bonuses (financial incentives), learning and training opportunities on annual basis, potential for career advancement and high potential for personal growth. Therefore based on the five (5) profiles analyzed, it could be deduced that employees of all generational groups places high priority on financial incentives rather than any other benefit. Aside, the financial incentives, the GEN X and GEN Y exhibited high level of preference of intrinsic factors such as training and learning opportunities, personal growth and career advancement. These two generations placed less emphasis on the job security (both long term and short term) whiles choosing their reward package profiles.

Also, the Baby Boom generation placed much emphasis on the job security and the pension benefits. It was observed that baby boomers showed higher preference for long

term job security rather short term job security. This is because most of the baby boomers are in their late fifties and as such are close to proceeding on pension and they would not like to be competing for jobs in the job market with the younger generations as employers prefer the younger generations.

Also, the baby boomers exhibited higher preferences for pension benefits of which the younger generations showed little or no interest all.

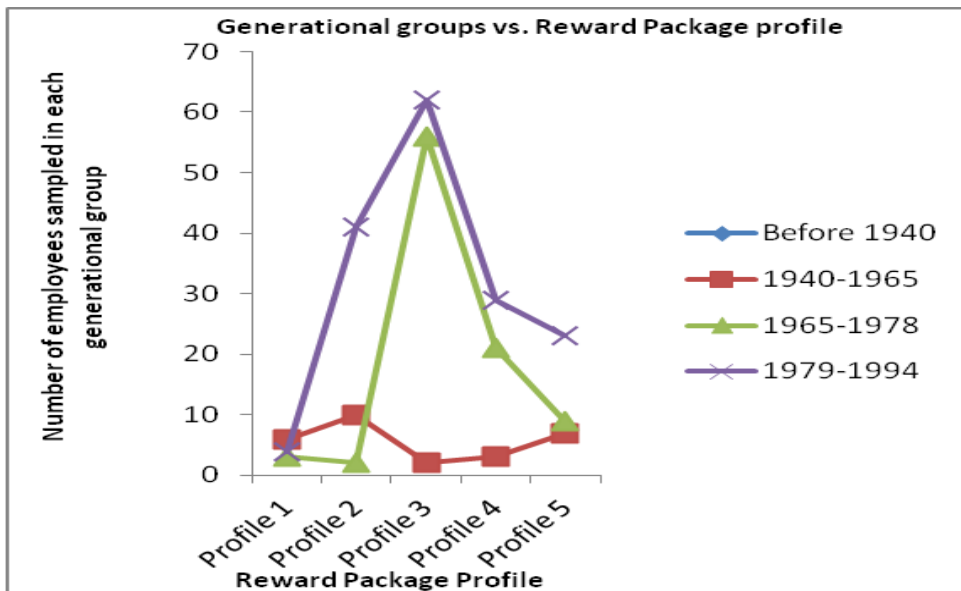


Fig 3a: Depicts the preferred reward package profile of the various generational groups



Fig 3b: Depicts the preferred reward package profile of the various staff categorizations

In assessing which minimum reward package profile the various generational groups and staff categories would consider worth selecting, the following data were obtained from the study:

Table 12a: Shows minimum reward package profile the various generational groups consider worth selecting

Age/Reward Pack. Profiles	Before 1940	1940-1965	1965-1978	1979-1994
Profile 1		2	9	10
Profile 2		19	15	17
Profile 3		2	41	65
Profile 4		3	19	50
Profile 5		2	7	17
Total	0	28	91	159

Considering Table 12a, in assessing the minimum reward package profile the various generational groups consider worth selecting, Out of the 278 respondents, 108(38.85%) indicated profile 3, 72 (25.90%) indicated profile 4, 51 (18.35%) indicated profile 2, 26 (9.35%) indicated profile 5 and 21(7.55%) indicated profile 1. Of the 108 respondents who indicated profile 3, 7.14% were of Baby Boom GEN, 45.05% were of GEN X and 40.88% were of Gen Y. Of the 72 respondents who indicated profile 4, 10.71% were of Baby Boom GEN, 20.88% were of GEN X and 31.45% were of Gen Y. Of the 51 respondents who indicated profile 2, 67.86% were of Baby Boom GEN, 16.48% were of GEN X and 10.69% were of Gen Y. Of the 26 respondents who indicated profile 5, 7.14% were of Baby Boom GEN, 7.69% were of GEN X and 10.69% were of Gen Y. Of the 21 respondents who indicated profile 1, 7.14% were of Baby Boom GEN, 9.89% were of GEN X and 6.29% were of Gen Y.

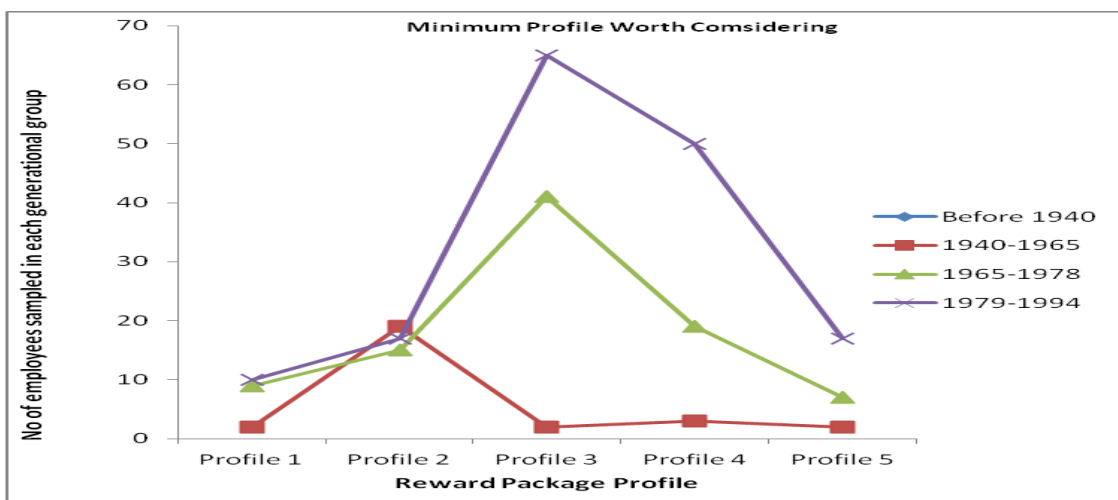


Fig 4a: Depicts the minimum reward package profile the various generational groups consider worth selecting

Table 12b: Shows minimum reward package profile the various staff categories consider worth selecting

Staff Grade/Reward Pack. Profiles	Management	Senior Staff	Junior Staff	Trainee
Profile 1	1	3	17	
Profile 2	6	12	32	1
Profile 3	4	17	86	1
Profile 4	3	8	60	1
Profile 5	1	3	22	
Total	15	43	217	3

Considering Table 12b, of the 108 respondents who indicated profile 3, 26.67% were of management category, 39.53% were of senior staff category, 39.63% were of junior staff category and 33.33% were of traineeship category. Of the 72 respondents who indicated profile 4, 20% were of management category, 18.60% were of senior staff category, 27.85% were of junior staff category and 33.33% were of traineeship category. Of the 51 respondents who indicated profile 2, 40% were of management category, 27.91% were of senior staff category, 14.75% were of junior staff category and 33.33% were of traineeship category. Of the 26 respondents who indicated profile 5, 6.67% were of management category, 6.98% were of senior staff category, 10.14% were of junior staff category but there were no respondents from the traineeship category. Of the 21 respondents who indicated profile 1, 6.67% were of management category, 6.98% were of senior staff category, 7.83% were of junior staff category but there were no respondents from the traineeship category.

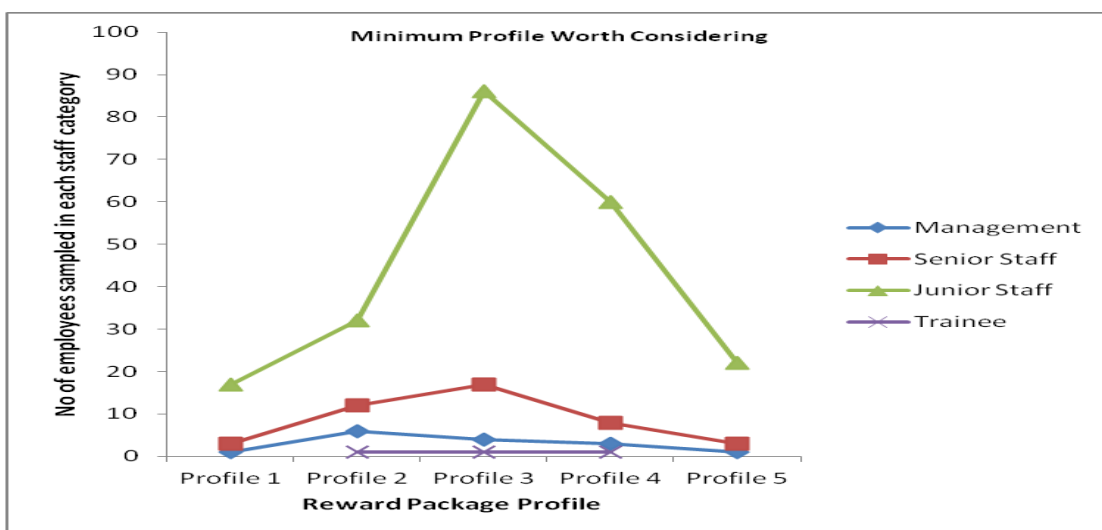


Fig 4b: Depicts the minimum reward package profile the various staff categorizations consider worth selecting

Table 13a: Shows the average mean value of each reward package profile for each generational group

Age/ Reward Package Profile	Before 1940	1940-1965	1965-1978	1979-1994
Profile 1		77,82	70,11	52,09
Profile 2		73,79	71,96	56,26
Profile 3		77,21	78,53	80,02
Profile 4		70,5	74,55	77,52
Profile 5		71,96	67,48	50,64

Considering Table 13a, it could be seen that the highest average mean values of each reward package profile for the GEN Yers, GEN Xers and Baby Boomers were 80.02, 78.53 and 77.82 representing reward package profiles 3, 3 and 1 respectively. The high average mean value of the younger generations (GEN Xers and GEN Yers) could be explained in terms of the fact that the younger generations places emphasis or priority on financial incentives rather than other forms of reward. The high average mean value of the reward package profile 1 for the baby boomers could be explained in terms of the fact that the baby boomers lookout more for pension benefits and long term job security rather than financial attractiveness of the package profile as most of the baby boomers are approaching their pension age and are only considering how they can secure continual employment before their pension date is due.

The graph below depicts the relationship between the reward package profile and the average mean value of each reward package for the various generational group.

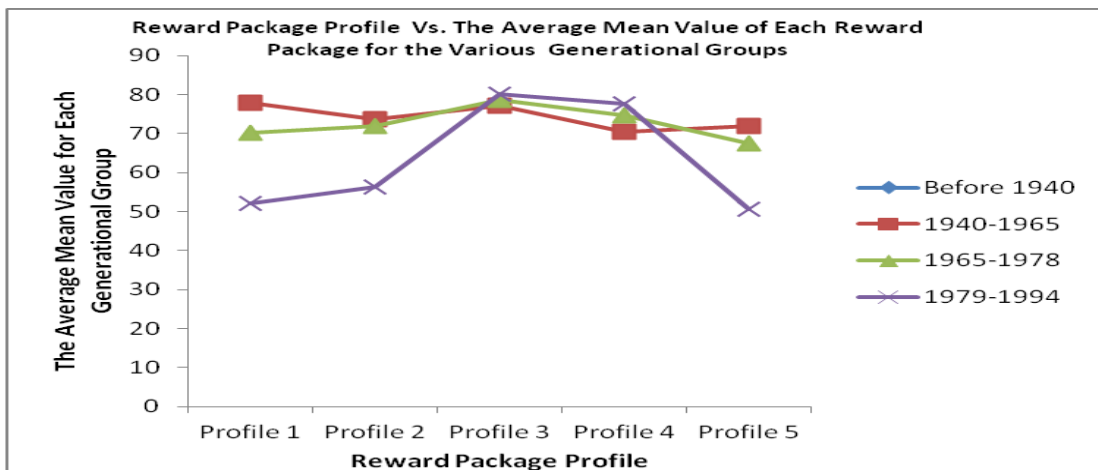


Fig 5a indicates the relationship between the reward package profile and the average mean value of each reward package for the various generational groups.

Table 13b: Shows the average mean value for Each Reward Package Profile

Average Mean Value/Reward Package Profile	Average mean Value
Profile 1	60,58
Profile 2	63,17
Profile 3	79,25
Profile 4	75,84
Profile 5	58,30

From Table 13b, it could also been seen that the average mean for Profile1, Profile 2, Profile 3, Profile 4 and Profile5 were 60.58, 63.17, 79.25, 75.84 and 58.30 respectively. The profile with the highest average mean was found to be Profile 3 which had been analyzed as more financially oriented reward package profile.

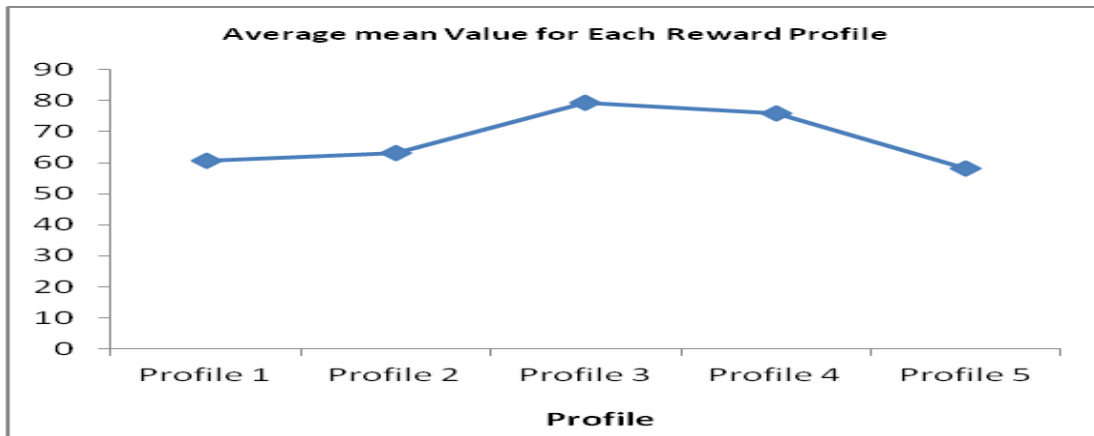


Fig 5b indicates the relationship between the average mean value for each reward profile

Table 14: Shows GSB/PL Employee Turnover and Recruitment

Date (Year)	2011	2010	2009	2008
Employee Turnover	10.53	5.42	29.06	10.87
Recruitment	62	100	32	210

Considering Table 14, GSB/PL had the highest turnover of 29.06 % in 2009. The annual average turnover for the four year period was found to be 13.97%. The high turnover in 2009 was due to the right sizing/redundancy exercise embarked on by the company management in 2009. Prior to 2009 right sizing exercise, the highest recruitment exercise in the four year period was carried where 210 employees were recruited. These 210 recruited employees were mostly GEN Xers and GEN Yers. Thus, right sizing in 2009 resulted in job lost for most of the baby boomers in the company and this was a way also to balance the massive recruitment of fresh talents in the year 2008. Thus this offered a great opportunity for the new entrants (GEN Xers and GEN

Yers) to be trained by the baby boomers for at least a year before most of them left the company through the redundancy exercise.

The high annual average turnover of 13.9% gives a clear impression that GSB/PL reward systems had not been able to meet its goal of attracting, retaining, motivating and developing talents in the company. Although, labour movement within the Ghanaian mining industry is very high, it could clearly be seen that GSB/PL reward systems have done little in combating this issue of high labour movement. In assessing GSB//PL rewards system, it could clearly be seen that most of the rewards currently operational are extrinsic in nature with few intrinsic rewards which have the potential of motivating the workforce in their current role or position. Thus though, GSB/PL rewards system comprises of a number of diverse rewards, the company is still challenged with how the rewards system could lure valuable labour force from exiting from the company to other companies mainly because of better and attractive reward packages.

Below is a graph depicting GSB/PL employee turnover and recruitment for the period 2008 to 2011.

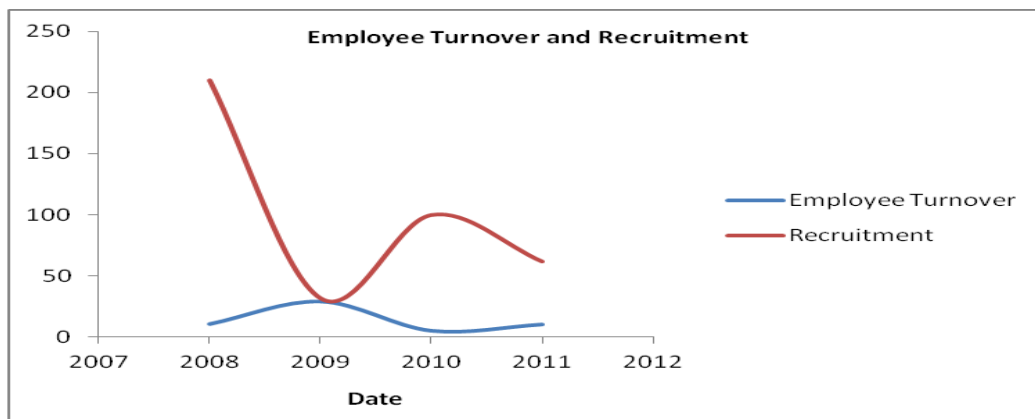


Fig 6: GSB/PL employee Turnover and Recruitment for the period 2008-2011

CHAPTER FIVE

5.0 DISCUSSION OF RESULTS AND FINDINGS

5.1.0 Questionnaire Results and Analysis

In understanding the perception of the different generational groups in the workplace regarding employee reward preferences and the design and implementation of reward systems, the study answered the following research questions which provided the grounds in concluding this paper.

- ❖ What rewards do employees of the different generational groups prefer most?
- ❖ What rewards do the different generational groups perceive to prevent employees dissatisfaction?
- ❖ What rewards do the different generational groups perceive to enhance employees satisfaction and motivation?
- ❖ What are the critical success factors and phases involved in the design and implementation of reward systems

From the result in table 8a and 8b, the question as to what rewards do the different generational groups perceive to prevent employee dissatisfaction had been answered as the it had been found that all the generational groups perceive rewards such as high salary and bonuses, supervision, promotion and attractive company policy and administration as only prevent dissatisfaction but do not actually bring about satisfaction and motivation. This thus confirms theories and assertions such as Brooks (2009, p.93-4) assertion that factors such as salary or remuneration, job security, working conditions and company policies are hygiene or contextual factors and that they are extrinsic to the actual work itself and these factors can cause employee dissatisfaction when not satisfied or available but when they are satisfied or available also they do not motivate or cause satisfaction but only prevent employee dissatisfaction. This study also partly confirms Lundberg et al (2008, p. 891) emphasis that according to Herzberg, factors such as company policy , salary, and interpersonal relations can cause dissatisfaction when not satisfied and however when satisfied these factors do not motivate or cause satisfaction, but they only prevent dissatisfaction.

Also, result from table 9a and 9b clearly answered the question as to what rewards do the different generational groups perceive to enhance employees satisfaction and motivation by identifying that all the three generational groups involved in this study perceive high salary and bonuses, high personal growth, job security and flexible work schedule as rewards factors when in absence or inadequate could lead to lack of satisfaction and motivation in the workplace but when available has the highest tendency in enhancing employee satisfaction and motivation in the workplace. In-addition, GEN Xers and Yers indicated that reward factors such as praise and recognition, high sense of achievement, high responsibility and promotion all enhances

employee satisfaction and motivation in the current role or position. But the study partly confirms Herzberg Two-Factor Theory (motivators) which asserts that factors such as praise and recognition, high sense of achievement, the work itself, advancement, personal growth and high responsibility has a tendency of increasing employee satisfaction and motivation in the workplace. Although Herzberg Two-Factor Theory (Dissatisfiers and Motivators) views high salary and bonuses as factors which only prevent dissatisfaction but not actually enhancing satisfaction and motivation, this study identified that in the mining company, employees view or perceive high salary and bonuses as factors which prevent dissatisfaction, and also enhances satisfaction and motivation in the workplace at the same time.

The study supports Pinder (1998) criticism of Herzberg claim that job content or job enrichment by for example responsibility, achievement, recognition and advancement is the only way to increase work motivation (Furnham, Forde, & Ferrari, 1999; Parson & Broadbride, 2006; Wright, 1989) by asserting that hygiene factors, like salary, interpersonal relations and working conditions may also act as motivators.

The study also confirms William et al. (2006, p392-413) recent empirical study which found that employees felt more satisfied with their pay level when they had: Positive perceptions of pay for performance, positive perceptions of their job design, larger base pay, larger pay increases, perceptions of pay fairness.

The study again clearly supports and confirms the traditional belief that pay is prime and in some cases the only source of motivation.

Also, result from 10a and 10b clearly answered the question as to what rewards do the different generational groups prefer most by identifying that all the three generational groups involved in this study prefer high salary and bonuses, training and learning opportunities, job security, flexible pension scheme, company stock options and promotion. Also in-addition to this, GEN Xers and Yers indicated other reward preferences such as high personal growth, praises and recognition, career advancement, flexible work schedule, good working environment and attractive company policy and administration of which the baby boomers did not indicate any preference.

Also, result from table 11a and 11b clearly answered the question as to what reward package profile do the different generational groups prefer most by indicating that profile 3 was the most preferred option, followed by profiles 2 and 4, followed by profile 5 and then profile 1. Most of the respondents who indicated profile 3 as the most preferred option were of mostly GEN Xers and Yers and a few baby boomers. Also, most of the respondents who indicated profile 2 as the most preferred option were mostly baby boomers and GEN Yers and a few of GEN Xers. Also, most of the respondents who indicated profile 4 as the most preferred option were mostly GEN Xers and Yers and a few of the baby boomers and were found in all the staff categories. Also, most of the respondents who indicated profile 5 as the most preferred option were mostly baby boomers and GEN Yers and a few of GEN X and were found in all the staff categories except the Traineeship category. Again, most of the respondents who

indicated profile 1 as the most preferred option were mostly baby boomers and a few of GEN Xers and Yers and were found in only the senior staff and junior staff categories.

According to Warneke et al. (2011, p.238), in particular, job choice depends on job satisfaction, which in turn depends on the package of the wage and non-wage characteristics of the job (Clark, 1997; Rosen, 1974; Thaler and Rosen, 1976; van Ophem, 1991). The high preference of package profile 3 could be implicated that those younger generations (GEN Xers and Yers) places less emphasis on the tenure of employment (job security) but more emphasis on financial incentives than intrinsic factors such as career advancement and personal growth.

Also, the high preference of reward package profile 2 by the baby boomers could be explained in terms Doering et al. (1983) assertion that some studies have indicated that by age, employee preferences shift from pay raises to other benefits and become more diverse. Doering et al. (1983), who analysed some classical studies, found that older employees preferred increased pension and related benefits and were willing to forego pay increases, additional vacations and shorter work weeks in order to acquire them. The baby boomers places more emphasis on tenure of employment (long term job security) and flexible pension benefits/scheme. This is because most of the baby boomers are close to pension age and as such they prefer to stay on one job than having to be moving from one job to another and competing with the younger generations in the job market for employment as employers prefer mostly GEN Xers and Yers. The preference of the GEN X for this option could be attributed to the high intrinsic factors such as intensive overseas training and learning opportunities, personal growth and career advancement. Both the baby boomers and GEN Xers preference could also be attributed to the high level of internal promotions as promotions basically comes with increases in salaries and other benefits which they might be anticipating as attractive. The low preference of GEN Yers could be attributed to the fact that the package is more focused on retirement benefits and less financially oriented and they might be of the opinion that they are not yet close to the pension age to be focusing deeply on pension benefits.

Considering reward package profile 4, the higher preferences of the GEN Y and GEN X could be attributed to high financial incentives, and intrinsic factors such as in-house learning and training opportunities and high potential for personal growth. The low preference of the baby boomers could be explained in terms of the fact that profile 4 lacks flexible pension benefits of which the baby boomers are more interested even-though profile 4 has a long tenure of employment (long term job security) which they also consider in choosing their reward package profile.

Considering reward package profile 5, the higher preference of the baby boomers could be explained in terms of the life employment tenure (long term job security) and extraordinary pension package for employees. The lower preference of the GEN Xers

and Yers could be explained in terms of the low financial incentives attached to this profile 5.

Considering reward package profile 1, the higher preference of the Baby Boomer could be attributed mainly to factors such as long term tenure of employment (long term job security), flexible pension scheme such as higher pension benefits for those who extends their pension date and higher bonuses (financial incentive). The lower preferences of the GEN Xers and Yers could be attributed to the fact that the reward package profile is not financially oriented as high bonuses cannot be guaranteed payment at all times. The few of the GEN Xers and Yers who indicated this profile could be attributed to the high bonuses, learning and training opportunities on annual basis, potential for career advancement and high potential for personal growth.

Therefore based on the five (5) profiles analyzed, it could be deduced that GEN Xers and Yers place highest priority on high financial incentives rather than any other benefit. Aside, the financial incentives, the GEN X and GEN Y exhibited high priority and preferences for intrinsic factors such as training and learning opportunities, personal growth and career advancement but less priority and preferences for job security and pension benefits whiles choosing their reward package profiles.

On the contrarily, the baby boomers placed highest priority and preference on long term job security and pension benefits and were willing to forego high financial incentives for long term job security and flexible pension benefits whiles choosing their reward package profiles.

Also, result from 12a and 12b clearly answered the question as to what minimum reward package profile do the different generational groups consider worth selecting, as the respondents indicated mostly profile 3 of which it was dominated by GEN Xers and Yers with few baby boomers. The higher indication by the GEN Xers and Yers could be attributed to the high financial incentives attached to this profile whiles the low baby boomers gives an indication that the profile 3 has less flexible pension benefits and long term job security.

Also, result from 13a and 13b clearly explained the average mean values of the various reward package profiles for the different generational groups. The high average mean value of the younger generations (GEN Xers and GEN Yers) could be explained in terms of the fact that the younger generations places emphasis or priority on financial incentives rather than other forms of reward. The high average mean value of the reward package profile 1 for the baby boomers could be explained in terms of the fact that the baby boomers lookout more for pension benefits and long term job security rather than financial attractiveness of the package profile as most of the baby boomers are approaching their pension age and are only considering how they can secure continual employment before their pension date is due.

Also, result from table 14 gives a vivid explanation of GSB/PL reward system performance in relation to its turnover and recruitment activities. The high annual average turnover of 13.9% gives a perfect indication that the company had not been able to meet its goal of attracting, retaining, motivating and developing talents in the company. In assessing GSB//PL rewards system, it could clearly be seen that most of the rewards currently operational are extrinsic in nature with few intrinsic rewards which have the potential of motivating the workforce in their current role or position.

5.2.0 Human Resources and Administration Manager Interview Results

When the Human Resources and Administration Manager was asked what are the current reward systems in place for their employees, he accentuated that the GSB/PL current total reward system includes high salary levels (pay increases), a bonus scheme, training and learning opportunities (Both in-house and external trainings such as training in other mining companies in Ghana and overseas), job security (permanent position/long term), Stock options, retirement/pension benefits such as social security, provident fund (20% of employees basic salary) where employee contribute 10% of his basic salary and employer contribute equivalent 10% of employee basic salary on behalf of employee bringing the total PF contribution on behalf of the employee as 20% of employee basic salary), promotions, attractive company policies and administration, good working environment and flexible working environment (Work-life balance basically arranged at the departmental levels between managers, supervisors and subordinates), Long service awards (for employees in every five years of continuous service to the company) recognition of employees performance and benefits such as housing, Health insurance, Vacation/Annual leave benefits, transportation/bussing service, messing (provision of meals to employees only when at work), and educational benefits (for employees dependants). The human resources manager emphasized that the bonus scheme also comprises of components such as Safety, Operating cost, Gold production (ounces of gold produced) target on monthly basis

When the Human Resources and Administration Manager was asked what are the critical success factors considered in the design and implementation of GSB/PL reward systems, he emphasized on five factors as follows: Profiling of the workforce during the assessment phase, Strong leadership commitment and support, clear articulation of the system objectives, effective and efficient communication and employee involvement.

The Human Resources and Administration Manager emphasized that during the assessment phase profiling of the entire workforce play a key role in understanding employee preferences for rewards and which rewards to be included in the entire total reward package for employees. As suggested by Love well (2011), "one of the first steps which should be carried out is profiling the whole workforce. This investigation will surely reveal to be useful both during the designing stage, in order to help and

determine the most appropriate benefits to be included in the benefits catalogue and during the implementation stage, in order to identify the most effective and suitable communication method and approach in order to catch staff's attention"¹².

The HR and Administration manager emphasized that strong leadership (management) commitment and support during the design and implementation of the GSB/PL reward systems in place contributes to a large extent the overall success of the company's rewards system over the years.

The HR and Administration manager emphasized what has contributed again to GSB/PL over the past years had been clear articulation of the company's reward system objectives. Thus, prior to the design and implementation of the rewards system, employees are made known of the objectives of the total reward system.

The HR and Administration manager emphasized that effective and efficient communication to the entire workforce the value of the overall reward package also plays a very important role in ensuring GSB/PL successful reward systems in place. "According to KPMG (2002), Paying particular care on effectively and properly communicating to each member of staff the value of the overall reward package he/she receives appears, then, to be particularly crucial. Since pay increases could be unlikely or, at best, not as generous as they had been during the previous years, the importance of effectively communicating staff the worthiness of their current reward package could help organisations to improve staff's morale or, if anything, to soften the negative impact that belt tightening periods can generate over staff (NorthgateArinso, 2009)"¹³. Also, according to Hay Group (2008), "ensuring that individuals truly understand and properly value each component of reward can turn to be particularly useful and effective in order to "developing or reinforcing a branding for reward and benefits within an organisation"¹⁴

The HR and Administration manager emphasized that employee involvement during the assessment, design and implementation phases has contributed to GSB/PL reward systems over the years. He underscored that though individual employees do not directly take part in the design and implementation process, internal surveys normally conducted on employee reward preferences periodically in itself help management to incorporate or indirectly involve employees views and perceptions during the assessment phase. Also, the union represents the voice of the workforce during the

¹² <http://rosariolongo.blogspot.co.uk/2011/11/designing-and-developing-flexible.html>

¹³ <http://rosariolongo.blogspot.com/2011/12/total-reward-statements-influence-on.html>

¹⁴ <http://rosariolongo.blogspot.com/2011/12/total-reward-statements-influence-on.html>

design and implementation process and ensure that employee preferences are more represented in the total reward system.

When the Human Resources and Administration Manager was asked what are the phases involved in the design and implementation of the GSB/PL Reward Systems, he highlighted on four phases as follows: assessment, design, execution and evaluation.

The Human Resource and Administration manager emphasized that the assessment phase basically involves the evaluation of the company's current total rewards system and generation of ideas for improving it. This involves internal surveys on employee reward preferences and attitudes towards them, industry benchmark surveys and examining current reward strategies and documenting the findings and recommendations for the design and execution phase.

The Human Resource and Administration manager emphasized that the design phase involves the identification of which employees and organizational attributes to reward and which types of reward to offer. He accentuated that during this phase, consideration is given to the full range of reward strategies, including benefits, compensation, work environment, personal and professional development.

The Human Resource and Administration manager emphasized once the designed phase is completed, the designed total rewards system moves to the execution phase of the implementation process which involves putting the new system in place in the organization. This phase gives consideration to numerous issues such as eligibility, top management support, measurement, etc.

The Human Resource and Administration manager emphasized that the last step of the design and implementation process is evaluation which involves comparing the actual results of the executed total rewards strategies against the desired results. The conducting of this evaluation could show top management that the company's investment in its total rewards system has paid off. Corby et al.(2005, p.4-24) asserts that of course, conducting an evaluation can be unnerving if you fear that the selected reward strategies are in fact not delivering as anticipated. He emphasized that encouraging the measurement of the outcomes of the executed total rewards system and interpreting the findings correctly help to obtain the most from the evaluation phase.

5.3.0 Findings from the study

- ❖ It was found from the study that all the generational groups sampled (baby boomers, GEN X and GEN Y) placed higher emphasis or priority on financial incentives (high salary and bonuses) over any other incentives when respondents were asked to indicate the reward they prefer most. Thus financial rewards such

as higher salaries and bonuses were the most frequently indicated as preferred reward. But when rewards were considered as a total package profile, greater number of the baby boomers placed more emphasis or priority on packages with highly flexible pension benefits, long term job security and high internal promotions even though the salary and bonus components of the packages (profile) were not that attract. The GEN X and GEN Y groups still maintained their reward package profile preferences based on high financial incentives, training and learning opportunities, personal growth and career advancement.

- ❖ Aside the high preferences for high salary and bonuses by all the generational groups, few of the GEN X and GEN Y also exhibited other preferences for both intrinsic and extrinsic rewards such as high personal growth, flexible work schedule, attractive company policy and administration, career advancement, working environment, job security and praises and recognition of which the baby boomers did not indicate any preference or interest.
- ❖ All the three generational groups (Baby Boomers, GEN X and GEN Y) indicated high salary and bonuses as factor which causes employee dissatisfaction when not satisfied or available but when they are satisfied or available also do not motivate or cause satisfaction. Thus the three generational groups confirmed Herzberg theory that factors such as salary or remuneration, job security, working conditions and company policies can cause employee dissatisfaction when not satisfied or available but when they are satisfied or available also these factors do not motivate or cause satisfaction and so these factors only prevent employee dissatisfaction (Herzberg, 1971; Herzberg, Mausner, & Bloch Snyderman, 2005).
- ❖ It was found from the study that all generational groups sampled (baby boomers, GEN X and GEN Y) indicated high salaries and bonuses as factor which could lead to lack of satisfaction and motivation of the employee in his current role or position when not available or satisfied. This finding is thus in contrast with Herzberg claim that pay (high salaries and bonuses) is only an extrinsic factor and that when is available or satisfied, pay does not bring satisfaction and motivation but rather prevents dissatisfaction. This finding is also in-line with the traditional belief that pay is prime, or in some cases the only source of motivation.
- ❖ It was found from the HR and Administration manager interview that GSB/PL rewards currently operational and accessible by employees include high salary levels (pay increases), a bonus scheme, training and learning opportunities (both in-house and external trainings such as training in other mining companies in Ghana and overseas), job security (permanent position/long term), Stock options, Retirement/Pension benefits such as social security, provident fund (20% of employees basic salary) where employee contribute 10% of his basic salary and employer contribute equivalent 10% of employee basic salary on

behalf of employee bringing the total PF contribution on behalf of the employee as 20% of employee basic salary), promotions, attractive company policies and administration, praises and recognition, good working environment, flexible work schedule (Work-life balance basically arranged at the departmental levels between managers, supervisors and subordinates), Long service awards (for employees in every five years of continuous service to the company) and benefits such as housing, Health insurance, Vacation/Annual leave benefits, transportation/bussing service, messing (provision of meals to employees only when at work), and educational benefits (for employees dependants).

- ❖ It was found from the HR and Administration manager interview that the critical success factors in the design and implementation of GSB/PL rewards system include profiling of the entire workforce during the assessment phase, leadership (management) commitment and support, clear articulation of the company's reward system objectives, effective and efficient communication and employee involvement.
- ❖ It was also found from the HR and Administration Manager interview that there are four phases involved in the design and implementation of GSB/PL rewards system and these phases include assessment, design, implementation and evaluation.

CHAPTER SIX

6.0 CONCLUSION AND RECOMMENDATION

6.1.0 Conclusion

According to Kaplan (2007, p.12-19), "Total reward strategy is a holistic approach aligning with business strategy and people strategy; it encompasses everything employees value in their employment relationship like compensation, benefits, development and the work environment". In an age of stiffening competition and increasing pressure to do more with less, GSB/PL cannot afford to ignore the strategic value that a well-designed total rewards system could provide. Thus a well-thought-out and skillfully implemented rewards program could give GSB/PL competitive edge either in the form of employee retention, productivity, job satisfaction, service quality and more of which the company require most in excelling in the global market.

This study is unique and further advances our understanding of reward preferences and performance by focusing on the mining industry and setting in an environment (Africa) of which little is known in literature about employee preferences for reward as almost all literature on rewards systems are mostly carried out in the North American and the European (mostly UK) settings.

First and foremost, the study contributes new insights into the notion of employees reward preferences by identifying what reward and reward package profiles the different generational groups prefer most.

Secondly, the study demonstrates the perception of the different generational groups that factors such as high salary and bonuses, job security, working conditions and company policies when available or satisfied prevent employee dissatisfaction but do not actually leads to motivation and satisfaction. This study also represents a confirmatory test of the Herzberg Two Factor Theory (The hygiene factors).

Thirdly, the study demonstrates the perception of the different generational groups that financial rewards such as high salary and bonuses causes or contributes to employee satisfaction and motivation. This also represents a non-confirmatory test of the Herzberg Two Factor Theory (The motivators) which states emphatically that only intrinsic rewards contributes to employee satisfaction and motivation.

Fourthly, the study outlined GSB/PL rewards system currently operational and accessible by employees of the company as a variety of extrinsic rewards both financial and non financial rewards such as high salary (pay increases), bonus scheme, training and learning opportunities, job security, promotion, attractive company policies and

administration, flexible work schedule, long service awards and benefits such as housing, health insurance, transport or bussing service and many more.

The study also emphasizes GSB/PL critical success factors in the design and implementation of their current rewards system as including profiling of the entire workforce during the assessment phase, leadership (management) commitment and support, clear articulation of objectives, effective and efficient communication and employee involvement. The study finally highlights on the phases involved in the design and implementation of the GSB/PL rewards system as assessment, design, execution and evaluation phases.

Despite all the three generational groups indicated high preferences for high salary and bonuses (financial rewards), the few employees in these three generational groups which indicated preferences for other non-financial rewards could be implicated that employees as individuals are distinct and motivated by different things and that in satisfying their needs, GSB/PL must maintain a wide variety of reward packages to be able to satisfy a greater number of the work forces.

GSB/PL high average annual turnover of 13.97% is implicative that the company's rewards system had done little in accomplishing its objectives of attracting, retaining, motivating and developing new talents and that it must be varied to include more intrinsic rewards so as to have a close balance of intrinsic and extrinsic rewards to be able to accomplish the system objectives as planned

6.2.0 Recommendation

- ❖ It is recommended that to be effective, when designing and implementing reward–performance practices, managers must be cognizant of a range of context specific and confounding forces that could potentially influence the performance implications of different types of rewards.
- ❖ It is recommended that during designing and implementation of the GSB/PL rewards systems, the management and other team members responsible for the design and implementation of the company's reward system review the abundant literature on rewards system to gather sufficient information and ideas and be able to develop more attractive and better rewards system for their employees.
- ❖ It is recommended that GSB/PL introduces more intrinsic rewards such as high personal growth, career advancement, etc as such rewards have great potential of enhancing employee satisfaction and motivation.

- ❖ It is recommended that the team responsible for the design and implementation of the GSB/PL reward systems during communication with their employees abide greatly by the Titanium Rule: "Do unto others, keeping their preferences in mind" as this rule makes messages far more persuasive. The Titanium rule makes it possible for someone of a different generation during communication to adapt other persons preferences instead of sticking with one's own personal style.
- ❖ It is recommended that employers consider changing the way employees are treated in the workplace as that have more impact rather than changing the way they are paid (Blinder, 1990).
- ❖ It is recommended that employers should be aware and prepared to act accordingly as employees may seek, value, and respond to rewards that are not directly financial but involve quite different outcomes such as career development or training opportunities, meeting working time preferences, personal recognition, and gaining a sense of meaning from work.
- ❖ It is recommended that in order to grasp both the variety and similarity of reward preferences across an increasingly diverse workforce profile, employer (GSB/PL) will need to consult and involve employees there more carefully and extensively Cox et al (2010, p.256).

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<http://www.worldatwork.org/waw/aboutus/html/aboutus-wh>

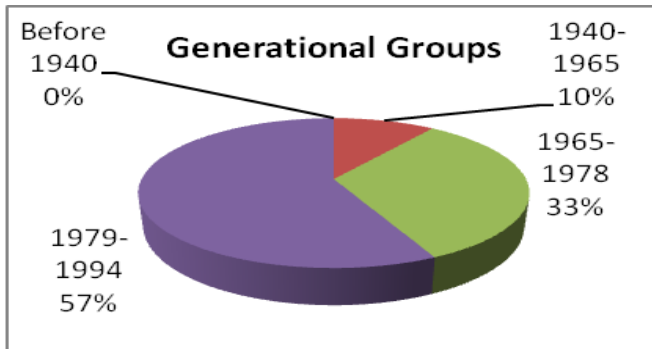
WorldatWork "The total Reward Association"

http://www.worldatwork.org/waw/home/html/compensation_home.jsp

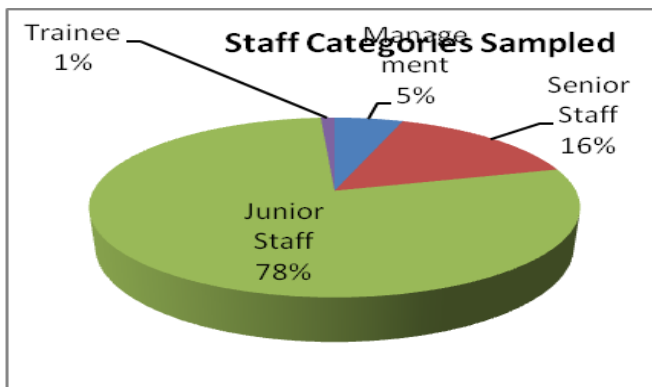
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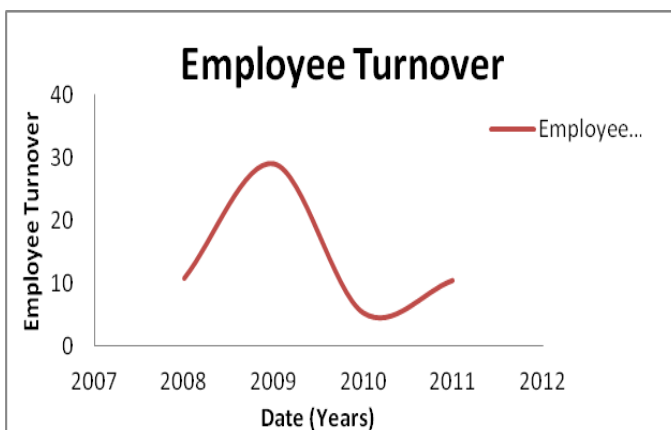
APPENDICES



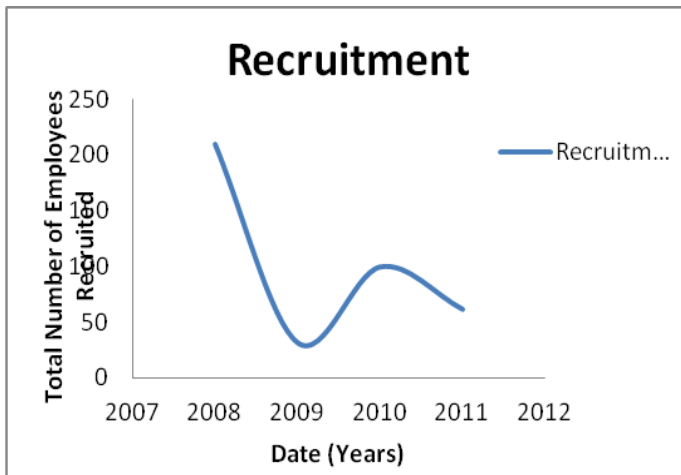
Appendix 1: GSB/PL Generational Groups Sampled



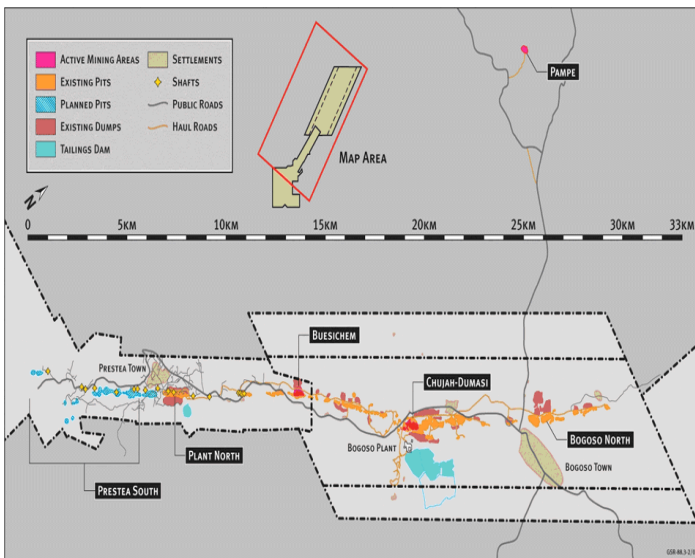
Appendix 2: GSB/PL Staff Categorization Sampled



Appendix 3: GSB/PL Employee Turnover



Appendix 4: GSB/PL Recruitment



Appendix 5: Map of Bogoso/Prestea Gold Mine Concession

Please tick the appropriate box that applies to you.

1. Demographic data:

<input type="checkbox"/> Born: before 1940	<input type="checkbox"/> Born: 1940-1964	<input type="checkbox"/> Born: 1965-1978	<input type="checkbox"/> Born 1979-1994
Nationality:		Sex : <input type="checkbox"/> Male	<input type="checkbox"/> Female
Department:		Marital Status: <input type="checkbox"/> Single	<input type="checkbox"/> Married
Staff Grade:	<input type="checkbox"/> Junior Officer	<input type="checkbox"/> Senior Officer	<input type="checkbox"/> Management
Staff categorization:	<input type="checkbox"/> Permanent	<input type="checkbox"/> Direct Contractor	<input type="checkbox"/> Trainee

2. Is this your first job? ☐ Yes ☐ No

3. If No, which of the following could be the reason (s) for leaving your previous job (s) ? (Tick as many boxes as apply)

- ☐ Low Salary & Bonuses ☐ Lack of Learning/Training opportunities ☐ Lack of Personal Growth
☐ Lack of Recognition of Performance ☐ Poor Working Relationships
☐ Lack of Promotion ☐ Lack of Sense of Achievement
☐ Lack of Job Security ☐ Lack of flexible work schedule
☐ Unattractive Company Policy and Administration ☐ Other

4. If Other (s), please specify here -----

5. Which of the following rewards/incentive compensation plans do you prefer and value most?

- ☐ Short term Incentive plan ☐ Long term incentive plan ☐ A combination of the two

If you prefer Short term incentive plan please proceed on to Question 6

If you prefer combination of the two please proceed on to Question 6

If you prefer Long term incentives plan please proceed on to Question 7

6. Which of the following short term incentive plans do you prefer and value most?

- ☐ Annual Company-wide Bonus plan ☐ Monthly Departmental Bonus plan
☐ Monthly Company-wide Bonus plan ☐ A Combination

7. Which of the following Long term incentive plans do you value and prefer most?

- ☐ A solid retirement plan where employer match employee contributions up to a percentage of employee paycheck with a vested plan.
☐ Provision of stock option plans at discounted rate for employees who have been with the company for five (5) years

8. Aside your monthly salary, which of these forms of reward do you value most?

- ☐ Short term financial rewards such as bonuses and annual profit sharing
☐ Non Financial rewards such as commendation, autonomy, authority
☐ A combination of these two forms of rewards

9. Which one of the following factors when in absence or inadequate could lead to dissatisfaction in your current role or position?

- ☐ High Salary & Bonuses ☐ Supervision ☐ Good Working Environment
☐ Long term Job Security ☐ Promotion
☐ Praise and Recognition ☐ Attractive Company Policy and Administration

10. Which one of the following factors has the highest tendency of increasing your level of satisfaction and motivation in your current role or position?

☐ High Salary & Bonuses ☐ Praise and Recognition ☐ High Sense of Achievement
☐ High Personal Growth ☐ High Responsibility
☐ Promotion ☐ Job Security ☐ Flexible Work Schedule

11. Which one of the following benefits do you value most?

☐ Flexible Pension Benefit ☐ Health Insurance Benefit ☐ Holiday/Vacation Benefit
☐ Housing Benefit ☐ Transportation Benefits ☐ Education benefits

For Question 12 to 14 please rate your level of need in terms of achievement, affiliation and power on a scale of 1 to 7 by ticking the appropriate box where 1=Low and 7=high

12. How would you rate your need for achievement on a scale of 1 to 7? 1=Low and 7=High

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
☐ 6 ☐ 7

13. How would you rate your need for affiliation on a scale of 1 to 7? 1=Low and 7=High

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
☐ 6 ☐ 7

14. How would you rate your need for power on a scale of 1 to 7? 1=Low and 7=High

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7

15. Please rate each of these reward package profiles offered for a Job position X between 100 (the reward package meet my expectations) and 0 (the reward package does not meet my expectations at all)

☐

Reward Package for Profile 1:

Remuneration: Low Salary and High bonuses

learning and training opportunities: Inside company on yearly basis

Job security: long term

Personal growth: assigned a personal coach

Career advancement: fair career growth and advancement

Flexible Pension scheme: Higher Pension benefits for those who extends their pension date.

Share ownership plan: limited in number to Junior staff but unlimited to other employees.

☐

Reward Package for Profile 2:

Remuneration: Low Salary and low bonuses

learning and training opportunities: Intensive overseas training opportunities every 5 years

Job security: long term

Personal growth: assigned a mentor and personal coach on recruitment

Career advancement: High level of internal promotion, career growth and advancement

Flexible Pension scheme: Higher Pension benefits for those who extends their pension date.

Share ownership plan: unlimited in number to employees at all levels.

☐

Reward Package for Profile 3:

Remuneration: High Salary and High bonuses

learning and training opportunities: Limited in-house learning & training opportunities

Job security: short-term

Personal growth: assigned a personal coach

Career advancement: limited opportunity for career advancement

Flexible Pension scheme: No pension benefit

Share ownership plan: limited to management

☐

Reward Package for Profile 4:

Remuneration: High Salary and Low bonuses

learning and training opportunities: In-house learning/training opportunities on yearly basis

Job security: long term

Personal growth: Assigned a personal coach

Career advancement: Fair opportunity for career advancement

Flexible Pension scheme: No pension benefit for those who go on early pension.

Share ownership plan: limited in number to all employees except management members

☐

Reward Package for Profile 5:

Remuneration: Low Salary and Low bonuses

learning and training opportunities: Inside company on yearly basis

Job security: life employment

Personal growth: assigned a personal coach

Career advancement: high opportunity for career advancement

Flexible Pension scheme: extraordinary pension package

Share ownership plan: limited in number to all employees

9. Based on your ratings above, which is the lowest reward package profile that will worth considering?

☐

Profile 1

☐

Profile 2

☐

Profile 3

☐

Profile 4

☐

Profile 5

10. Which reward(s)/incentive(s) do you prefer most in relation to your current job position?

11. Which rewards/incentives motivate you more to stay in your current position/job?

HR INTERVIEW

1. Brief description of GSB/PL HR configuration

2. What is the total number of employees in GSB/PL?

3. What proportion of the total employees constitute each categorize below:

- A. Management :
- B. Senior Officers:
- C. Junior Officers
- D: Trainee

4. What was GSB/PL employee turnover in the following years: 2011, 2010, 2009, 2008?

Date (Years)	2011	2010	2009	2008
Employee Turnover				

5. What was the total number of employees recruited in each of the following years: 2011, 2010, 2009, 2008

Date (Years)	2011	2010	2009	2008
Employee Recruitment				

6. What are the current GSB/PL reward systems in place for their employees?

7. What critical success factors do you consider in the design and implementation of GSB/PL reward systems?

8. What are the phases involved in design and implementation of GSB/PL Reward Systems

Appendix 6: Questionnaire Survey