ANALYSING THE EFFECTIVENESS OF THE REWARD STRATEGY OF THE DEPARTMENT OF JUSTICE IN THE NORTHERN CAPE IN MOTIVATING ITS EMPLOYEES

A CASE STUDY

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DECLARATION

I declare that the field study hereby submitted for the qualification Magister in Business Administration at the UFS Business School at the University of the Free State, is my own independent work and that I have not previously submitted this work, either as a whole or in part, for a qualification at another university or at another faculty at this university.

I also hereby cede copyright of this work to the University of the Free State.

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Date: 20 October 2014

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INTRODUCTION TO THE RESEARCH PROBLEM

1.1   INTRODUCTION

The research reported here investigated facets of the current reward strategy of the Department of Justice that are motivating its employees, and determined which facets of a total reward system are important to the employees. The reward strategy ascribed to by the Department of Justice, as contained in the Performance Management Policy of the Department, consists of monetary rewards in the form of performance bonuses and notch increments (Department of Justice, 2014).

In the following chapter the background will be given in terms of the reward strategy which is currently in place at the Department of Justice by explaining the present situation, and determining which of these facets are motivating the employees. The research problem regarding the effectiveness of the reward strategy in motivating its employees, and which facets of a total reward system are important to the employees, will be discussed. A literature review on total reward management and the motivation of employees will then follow. The research problem will be stated, followed by the aim of the research. The sub-problems and the objectives of the research will be listed as formulated in relation to the principles of total reward management. The research design strategy is stated briefly and this will be followed by a description of the sample size, sample type, data collection methods, as well as the trustworthiness of the research. Certain assumptions made will be explained after which the value of the research will be stated and final concluding remarks will be made.

1.2   BACKGROUND TO THE DEPARTMENT OF JUSTICE

The 2012-2017 Strategic Plan of the Department of Justice (Department of Justice, 2012) gives the background to the research study and is a summary of the purpose of the organisation. The Vision of the Department of Justice is formulated as follows; "to provide a transformed and accessible justice system, which promotes and

protects social justice, fundamental human rights and freedom (Department of Justice: 2012: 08)."

The Mission of the Department is explained as "being committed to providing transparent, responsive and accountable justice for all (Department of Justice: 2012: 08)." The four strategic goals of the Department, which encompass the organisational purpose, are the following:

1. To provide increased accountability, effectiveness and efficiency within the Department of Justice. This will ensure improved compliance with legal and good practice requirements in respect of governance across all divisions and structures of the Department to ultimately lead towards an unqualified audit.

2. To ensure improved effectiveness and efficiency in the delivery of justice services in the country. All courts and justice service points must be supported to improve the finalisation rates, efficiencies and backlogs in respect of all criminal, civil and family matters.

3. To provide transformed legal services to protect and advance the interests of government and the citizens of South Africa, and ensure the promotion of constitutional development. The aim is to minimise the exposure of government to legal risk, ensuring that citizens have access to quality guardian and probate services, and seeing to it that the state has access to legal advice and services while promoting constitutional development.

4. To provide for the effective coordination of the Justice, Crime Prevention and Security (JCPS) Cluster which will result in all citizens feeling safe and having equal access to the services provide by the JCPS cluster of Departments.

(Department of Justice, 2012)

A Performance Management Policy as per internal circular 52 of 2014 (Department of Justice intranet, 2014) is in place and the purpose of performance management in the Department can be described as follows:

- To provide an effective, objective, and accurate method to evaluate the performance of employees.
- To create a controlled environment in which the work performance of employees can be improved by setting goals and standards in order to enhance efficiency and productivity.
- To assist management in assigning work and delegating responsibilities based on a mutual understanding of the employee's skills and abilities.
- To encourage continued growth and development of all employees.
- To provide documentation to support recommendations for notch increments, performance bonuses, promotions, transfers, demotions and even dismissals.

Performance bonuses and notch increments are seen to be rewards awarded to high performing employees. As stated in the Performance Management Policy, internal circular 52 of 2014, (Department of Justice intranet, 2014), the monetary rewards which are available to all officials of the Department for exceptional service is the following:

1. A performance bonus and/or
2. A pay progression.

The monetary value of performance bonuses can range anything from 4% to 18% of an employee's total salary package. Pay progression to base pay will be in the form of notch increments. As described in the Policy document (Department of Justice intranet, 2014), the monetary performance reward is a form of motivation offered to an employee to do more than what is expected as per the standard key performance areas described in the annual performance agreement of the employee. This Departmental Performance Management Policy document was drafted by the Directorate: Performance and Career Management and is not representative of the views and opinions of the employees themselves. Employees were never consulted on a one-on-one basis and asked whether monetary rewards were important to them, or if there might be other aspects of a total reward strategy that might be more important to them.

It is therefore not a certainty that the current monetary rewards being paid to motivate employees to perform optimally are really what is seen to be important by

the employees, and what they actually desire. It can therefore also not be assumed that these monetary rewards are really motivating employees to go above and beyond what is expected of them, if the Department has never asked its employees what it can do to motivate them.

1.3   RESEARCH PROBLEM

A reward can be defined as anything tangible or intangible that an organisation provides to its employees either intentionally or unintentionally in exchange for the employee's potential or actual work contribution and to which employees as individuals attach a positive value as a satisfier of certain self-defined needs (Shields, 2012). Rewards therefore are not just financial in nature, but they can also be non-financial and this determined by what the individual sees as rewarding to his or her input, based on his or her specific needs. The research problem is: Which facets of the current reward strategy of the Department of Justice motivate its employees and which facets of a total reward system are important to them?

1.4   LITERATURE REVIEW

A literature review was done to gain a better understanding of the total reward system, what extrinsic and intrinsic rewards entail, and to identify the components of a total reward system.

1.4.1 Total Reward Management

According to Armstrong (2006) performance management is an important human resource process which systematically provides not just the basis for improving and developing organisational performance, but also develops the performance of individuals and teams. It further enables individuals to define their expectations in return for accepting role responsibilities, accountabilities and behaviour. These expectations can take on different forms and also differ from individual to individual.

Shields (2012) is of the opinion that performance management entails far more than financial rewards. He explains that the components of "total reward" can be divided into extrinsic and intrinsic rewards which can be illustrated as follows (Table 1.1):

Table 1.1   Extrinsic and intrinsic rewards

Extrinsic rewards	Intrinsic rewards
• **Financial rewards or remuneration:** Fixed or base pay Direct benefits Performance-related pay	• **Job challenge**
• **Developmental rewards:** Learning, training and development Succession planning Career progression Other non-financial benefits	• **Responsibility**
• **Social rewards:** The specific organisational and management culture Performance-related support Bonding in the work group Work-life balance Other indirect non-financial benefits	• **Autonomy**
	• **Task variety**

Source: Adopted from Shields (2012)

Zingheim and Schuster (2000) posit that the remuneration and reward system of any organisation should include some of the components of a total reward system. They are of the opinion that different components of a total reward system are positive work, total pay, individual growth and having a compelling future in the organisation. Grobler, Wärnich, Carrell, Elbert and Hatfield (2011) are of the opinion that total rewards not only refer to extrinsic rewards such as salary and benefits, but also to intrinsic rewards such as achieving personal goals, autonomy, and more challenging job opportunities.

The question can now be asked: 'What exactly is it that an organisation hopes to obtain by offering rewards to their employees?' Every organisation will have its own reasons for offering rewards, but Shields (2012) points out that a reward system maintained by any work organisation is likely to have three primary objectives:

1. To attract the right people at the right time for the right jobs, tasks or roles

2. To retain the best people by recognising and rewarding their contribution
3. To motivate employees to contribute to the best of their capability.

He further alludes that the secondary objectives of a reward strategy should attempt to be the following:

1. To be need-fulfilling: The rewards being offered regarded by employees as having value in satisfying their specific needs.
2. To be considered as being fair: Rewards should be offered in line with the contribution delivered.
3. To be legal: It should conform to all legal requirements in terms of basic employee rights and benefits, including but not limited to all compulsory minimum standards and entitlements.
4. To be affordable: The rewards being awarded together with any associated costs associated with the rewards should be within the organisation's approved budget for the given financial year.
5. To be cost-effective: There should be a long-term and concrete return on investment from the total rewards given out by the organisation.
6. To be strategically aligned: Reward management should at all times underpin the organisation's objectives as stated in the vision and mission of the organisation.

As described in the Performance Management Policy of the Department of Justice (Department of Justice, 2014), the purpose and primary aim of the monetary performance rewards paid to the employees are to motivate them to perform optimally in achieving the Departmental Strategic Objectives.

The total reward approach which Shields (2012) advocates can be illustrated as follows (see Figure 1.1):

Components of total reward approaches

Financial rewards	Non-financial rewards
o Fixed or base pay o Direct benefits o Performance-related pay	o Recognition o Communication o Work environment o Training o Career development
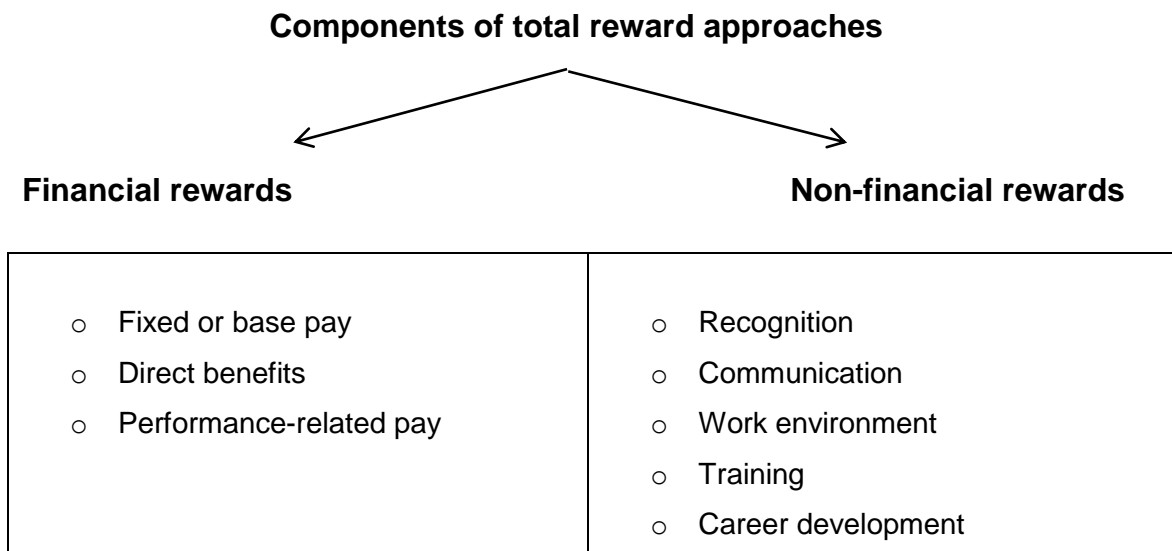
Source: Adopted from Shields (2012)

Figure 1.1: Total reward approach

This study explored current trends in total reward management, both locally and internationally. Many people are of the opinion that the traditional method of only awarding a financial reward is irrelevant in the fast-changing work environment of today. On the other hand, others argue that these financial rewards are the best method to use to drive accountability and differentiated compensation.

The Department of Justice does have a performance management system in place, which includes the payment of financial rewards, but there are other aspects of a total reward system which can be included to ensure the ultimate success of the Department.

1.4.2 Motivation

In a *Fortune Magazine* (November 1998) an article was published with the title, "Hey, corporate America, I want a sign-on bonus, a cappuccino machine and I want to bring my pet to work. And guess what, you need me." This highly controversial article at that point in time in the corporate world captured an attitudinal shift in terms of work-life integration and what it is that actually motivates and retains highly skilled and sought-after employees.

It is known that Maslow and Herzberg both found in their studies that humans have intrinsic as well as extrinsic motivational influences contributing to their specific

behaviour. Self-actualisation, recognition and self-esteem are strong inherent human needs, whereas financial incentives influence extraneous non-essential motivation (Grobler *et al.*, 2011). It is also stated by Bergh and Theron (2003) that inherent motivational influences are being undermined when only financial rewards are being offered by an organisation.

The factor or circumstance that induces a person to act in a particular way, describes what exactly it is that makes a person behave in a specific way and also explains what initiates the specific behaviour. Daft and Marcic (2007) explain that motivation refers to the stimulus within or internal forces inherent to a person that trigger enthusiasm and persistence to engage in a certain course of action. Employee needs vary from person to person and can range from a wide variety of things such as basic human needs, feelings of achievement and monetary gain. These driving forces encourage employees to act in certain ways in order to fulfil their needs. It is clear, therefore, that inherent forces of motivation affect performance and productivity, leaving managers and supervisors to determine exactly what it is which will satisfy employee needs in order to motivate them to fulfil organisational objectives.

A number of theories exist which will be discussed in this report. Some of these theories suggest internal urges which compel behaviour of a certain kind, instinctive emotions, reasoning and knowing, desires or needs, while other theories suggest that we as human beings are motivated by extraneous causes. There are other theories which suggest that people want surroundings and circumstances which will evoke them to develop and to achieve self-actualisation, while others believe all people are inherently motivated, because since birth all human beings increasingly become more self-reliant and competent through acquiring intellectual abilities and developing new skills (Bergh & Theron, 2003).

Recognising great accomplishments through giving non-financial rewards and publicly celebrating achievements, has gained tremendous significance and is clearly important to people. Making people feel irreplaceable and important to the organisation will make them feel successful, and this is critical in making an employment brand work (Berger & Berger, 2011).

Kreitner and Kinicki (2010) explicate that the desired motivational impact of monetary rewards are very often not achieved as a result of the following possible reasons:

1. Too much emphasis is being placed on monetary rewards alone.
2. Monetary rewards lack an "appreciation effect".
3. Counterproductive behaviour is rewarded, i.e. rewards can be focused on "performing and achieving targets no matter what", only to discover that this is inadvertently rewarding irregular short-cuts which may lead to audit findings.
4. The too long delay or time lapse between actual performance and receiving the reward.
5. Too many one-size-fits-all employee rewards.
6. Continued use of across-the-board raises and excessive executive compensation.
7. Monetary rewards are one-shot rewards with a short-lived motivational impact.

Berger and Berger (2011) posit that when considering the motivational impact of reward programmes, it is highly unlikely that one-size will fit all. What motivates a late-career manager may not be the same as what motivates a newly-appointed entry-level employee. Critical to the return on investment of total reward programmes is tailoring those reward offerings to the unique interests of particular employees or employee groups to ensure motivational impact is achieved (Berger & Berger, 2011).

1.5 AIM OF THE RESEARCH

In this study the current reward strategy of the Department of Justice was investigated to determine whether it is effective in motivating its employees and which facets of a total reward system are important to the employees. The total reward theory of Shields (2012) was utilized to investigate if the reward strategy ascribed to by the Department of Justice is effective in satisfying the needs of the employees. The financial reward strategy of the Department includes performance bonuses and notch increments. The non-financial reward strategies which will be attended to specifically, include recognition, communication, work environment, training, and career development.

1.6   SUB-PROBLEMS OF THE RESEARCH

The problem that was identified and gave rise to this study was that there reigned uncertainty about whether the various facets of the current reward strategy of the Department of Justice motivated its employees and which facets of a total reward system were important to them (see 1.3).

This section will focus on the sub-problems posed for the study:

- Sub-problem 1:   Do employees agree that the monetary reward strategy of performance bonuses leads to motivation?
- Sub-problem 2:   Do employees agree that the monetary reward strategy of notch increments leads to motivation?

The following facets of a total reward strategy will be measured relative to its importance for motivating employees:

Sub-problem 3:   How important do employees consider recognition in motivating them?
How important do employees consider communication in motivating them?
How important do employees consider the work-environment in motivating them?
How important do employees consider training to motivating them?
How important do employees consider career development in motivating them?

1.7   OBJECTIVES OF THE RESEARCH

One primary and a number of secondary objectives were set for the study. The primary objective of the study was to determine whether the current reward strategy followed by the Department of Justice was effective in motivating its employees and which facets of a total reward system were important to the employees.

The secondary objectives to this research are:

(i) To determine whether performance bonuses motivated the employees.

(ii) To investigate whether notch increments motivated the employees.

(iii) To measure the relative importance employees attach to the following aspects of a total reward strategy:

- the relative importance of recognition to motivate employees
- the relative importance of communication to motivate employees
- the relative importance of work-environment to motivate employees
- the relative importance of training to motivate employees
- the relative importance of career development to motivate employees.

1.8   RESEARCH METHODOLOGY

In this section the design, methods that were employed as well as the sample selection, data collection and trustworthiness will be described to provide a context for the study.

1.8.1 Research design

The research can be classified as a case study. Blumberg, Cooper and Schindler (2008) are of the opinion that case studies have a useful approach for use in theory development as it answers 'Why?' and 'How?' questions and is used to understand events, their ramifications and processes. They state that the main advantage of using the case study approach in research is that it relies on multiple sources of evidence such as interviews, observations and documentation. The research design can be seen as the blueprint for the collection, measurement and analysis of data, and case studies place more emphasis on a full contextual analysis of fewer events or conditions and their interrelations (Cooper & Schindler, 2011). In business research quantitative methodologies measure behaviour, knowledge, opinions or attitudes (Cooper & Schindler, 2011). Quantitative techniques will be utilised in this research.

1.8.2 Sample size and sample type

A sample is part of the target population, carefully selected to represent that population (Blumberg *et al*., 2008). The target population is the employees of the Department of Justice in the Northern Cape region and the sample is the total number of employees at the Regional Office as well as fifteen employees from each of the cluster offices, namely the Upington cluster, the Springbok cluster and the Kimberley cluster. Non-probability sampling is non-random and subjective (Blumberg *et al*., 2008). Purposive sampling can be defined as a non-probability sample that conforms to certain criteria. In the research a purposive non-probability judgement sampling method was used. Blumberg *et al.* (2008) state that judgement sampling occurs when a researcher selects sample members who conform to some criterion. Neuman (2006) is of the opinion that the general principle of the smaller the population, the bigger the ratio, should be true of the sample size to the population size. Questionnaires for completion were handed out to the complete sample population, which constituted 130 individuals. The officials that participated in the research were representative of different salary levels, ranging from junior officials to supervisors and managers.

1.8.3 Data collection

A quantitative approach was used in this research. Self-developed questionnaires, structured around the sub-problems of the research, were utilised to collect quantitative data. According to Cooper and Schindler (2011), quantitative research refers to the precise count of certain phenomena, opinions, or attitudes, and provides statistical data on the problem for frequency analysis.

Statistical data for the sub-problems were collected by making use of a 5-point Likert scale questionnaire (totally disagree, disagree, neutral, agree and totally agree). The Likert scale is a departure from the summing-up rating scale and requires from the respondent to either agree or disagree with items that represent either well-disposed or adverse reactions towards the statement (Cooper & Schindler, 2011). The opinion of each respondent was measured on the strength of his/her responses and is assigned a corresponding score. Individual scores were totalled to obtain a general attitude measure. The quantitative data collected from the questionnaires were analysed by means of frequency distribution, which is an ordered array of all values

for a variable (Cooper & Schindler, 2011). Statistical data for the sub-problems also were collected by making use of a forced ranking scale. Forced ranking scale is a scale in which the participant orders several objects or properties of objects (Cooper & Schindler, 2011). The different facets of a total reward strategy were ranked relative to each other and the respondent had to place number 1 next to the most preferred option and number 2 next to the second most preferred option, and so forth. The forced ranking scale lists attributes that are ranked relative to each other and is a quick and simple method to obtain a rank order of importance (Cooper & Schindler, 2011). Questionnaires were compiled in English, the official language used by the Department of Justice. Approval had been obtained from the Regional Head of the Northern Cape to conduct the research. The different Directorate Heads were notified and agreed to the distribution of the questionnaires to their staff.

1.8.4   The trustworthiness of the research

To prevent any question being posed to have a double-meaning, a pilot study was done to ensure that the questions posed in the questionnaire were not ambiguous. It is very important to ensure that there are no misinterpretations and to refine the content of questionnaires, the wording and possibly the length, if necessary. Three people were interviewed to test the questionnaire and refine the contents accordingly (pilot study).

1.9   ASSUMPTIONS

The following assumptions were applicable to the study:

- The respondents have sufficient information and knowledge on the current reward strategy of the Department of Justice to provide insightful answers to the questions being posed.
- The respondents have sufficient information on and knowledge of possible non-financial reward strategies which can be adopted by the Department of Justice to provide meaningful responses.
- The questionnaires are completed in a just, impartial manner and the meaning and impact of all relevant questions will be accurately perceived and

responded to in an impartial manner to mirror the attitudes and opinions of each individual respondent.

- The literature used in this study is accurate and represents the true meaning of the evaluation philosophy, but is not exhaustive.

1.10 THE VALUE OF THE RESEARCH

A performance management policy is in place in the Department of Justice. This policy includes a monetary reward strategy which is currently adhered to by the Department. This research, first, investigated whether performance bonuses were effective in motivating employees and whether notch increments were effective in motivating employees.

The research secondly determined which facets of a total reward system were important to the employees. The research set out to identify whether there were facets of a total reward system which could be incorporated in the reward strategy of the Department to ensure employees would be satisfied, and in doing so, effectively motivated to perform. This will add to the body of knowledge on total rewards management and the desirability to incorporate it in the Department of Justice.

1.11 OUTLINE OF THE RESEARCH REPORT

The report consists of six chapters and will be organised in the following manner:

Chapter 1 is an introduction and here the researcher will set the scene for the research and provides a background to the study. In Chapter 2, which relates the literature review, the researcher will provide information on total reward management and reward strategies and factors that motivate employees in the work place. Chapter 3 contains research background and context information on the reward strategy of the Department of Justice. Chapter 4 provides the research methodology and contains statements regarding the research design and methodology. Data were collected from employees in the Northern Cape Department of Justice through the use of questionnaires. The target population, sampling methods, research design, data collection strategy and measuring instruments, as well as the limitations of the

study are outlined. Chapter 5 contains a discussion of the data analysis and interpretation of the research findings. A systematic presentation of the data collected and the findings of the study are dealt with in this chapter. A detailed analysis of the results with discussions, interpretations and lessons learned is presented. In chapter 6 concluding remarks and recommendations are made. The researcher provides recommendations with regard to employees' experiences, views and perceptions about the reward strategy of the Department. The effect that the current strategy has on motivating employees, and in doing so, hopes to enhance the performance of the Department, are dealt with. Suggestions regarding future research also are discussed in this chapter.

1.12 CONCLUSION

The Performance Management Policy of the Department of Justice is adhered to and annually performance bonuses and notch increments are paid out to employees; in fact, exorbitant amounts are paid out in the form of financial rewards annually, but whether these monetary merit payments really address the question of employee motivation is questionable.

A total reward strategy, as explained by Shields (2012), consists of different facets, for example, recognition, communication, work environment, training, and career development. It is of the utmost importance that the Department of Justice obtains a best-fit solution which will address the motivational needs of its employees.

Chapter 2

LITERATURE REVIEW: MOTIVATION AND THE IMPACT OF MONETARY AND NON-MONETARY REWARDS ON EMPLOYEE MOTIVATION

2.1   INTRODUCTION

This chapter will follow the framework of the model as adopted from Shields (2012) as depicted in Chapter 1, and will discuss the theory in terms of the impact of the following aspects on employee motivation:

- The impact of financial rewards on motivation will be discussed by considering the impact of performance bonuses on motivation; the impact of fixed or base pay on motivation and the impact of direct benefits on motivation.

- The impact of non-financial rewards on motivation will be discussed by examining the impact of training on motivation; the impact of recognition on motivation; the impact of communication on motivation; the impact of career development on motivation, and the impact of the work-environment on motivation.

- The impact of using both monetary and non-monetary rewards on motivation will also be discussed.

The term motivation derives from the Latin word *movere*, which means "to move" (Steers & Porter, 1991). It can then be said that to motivate means to inspire an individual to deliver extra work effort and behaviour specifically aimed at accomplishing the set objectives. Shields (2012) is of the opinion that the term 'motivate' refers to the strength of a person's willingness to use effort to perform certain work tasks. Islam and Ismail (2008) observe that it is motivation that "moves us from boredom to interest." According to Grobler *et al.* (2011), motivation can be described as "the force that energises behaviour to such an extent that it gives direction to behaviour and underlies the tendency to persist, even in the face of one or more obstacles." Robins and Judge (2009) defined motivation as "the processes that account for an individual's intensity, direction, and persistence of effort toward any goal", and in the context of this study, it refers to organisational goals.

Employees with low levels of motivation will make it difficult for organisations to achieve their goals. Managers need to identify which factors motivate employees most, as employee motivation provides a wide range of benefits for an organisation, namely

1.   The human resource component is put into action

Motivation is the key element that creates willingness to work in employees. An organisation can have the physical and financial resources to operate, but without a motivated human resource component, nothing will be accomplished.

2.   The overall levels of effectiveness and efficiency in the organisation is improved on continuously

When employees are motivated, willing and able, their work performance will increase productivity levels in an organisation dramatically.

3.   The organisational goals are achieved

Organisational goals can only be achieved when co-ordination and co-operation take place simultaneously in a company in terms of the best possible utilisation of resources; employees acting in a purposive, goal-directed manner; the work environment is stimulated by motivated and engaged personnel.

4.   It creates employee satisfaction and high levels of staff engagement

Employees want to feel that their needs and desires matter to the organisation for which they work. The organisation can incorporate different incentive plans to acknowledge and reward the efforts of its employees.

5.   It leads to the stability of the workforce

Employees can only remain loyal to an organisation when they have a sense of participation in the management of the organisation. The stability of the workforce is important in terms of the reputation and goodwill of a company, which in turn will attract competent and qualified people to join the organisation.

Robbins, Odendaal and Roodt (2007), in addition, define motivation as "the process that accounts for an individual's intensity, direction and persistence of effort towards

attaining a goal". As seen from this definition, there are three key elements that work together to create the state of being motivated, namely intensity, direction and persistence.

- *Intensity*

  Describes exceptional, great concentration, power, or force with which a person is focused on achieving a desired outcome.

- *Direction*

  Indicates that a person is presented with various different options to choose from.

- *Persistence*

  Is the quality which allows a person to continue doing something or attempting to do something that is difficult and which goes beyond the usual expected normal time.

Muedi (2008) explains that the role played by motivation is fundamental when it comes to productivity in terms of organisational success. In the research conducted by Muedi (2008), it was found that the lack of motivation in the organisation might result in poor work performance in junior managers which could cause the organisation to lose its competitive edge over rival firms. Govender (2010) agrees that motivation in terms of human performance is a determinant of competitive advantage for any organisation. When organisations consider what it is that will motivate their employees to excel in their performance towards achieving organisational goals, they should keep the following characteristics of motivation, as described by Mullins (2007), in mind:

- Motivation is an individual phenomenon which underlines the uniqueness of what motivates each different individual in an organisation.
- Motivation is an individual's intentional choice of action and although being under the control of the individual, can be manipulated.
- Motivation is multifaceted, and stimulation and choice of behaviour are two factors of motivation.
- The purpose for motivation is predicting behaviour based on the fact that a person's choice of action is determined by internal and external factors.

According to Beel (2007) there are three different viewpoints of how rewards have an impact on motivation, namely

- The extreme opponents who argue that, "under any situation, rewards have destructive effects on employees' motivation." Rewards as a motivation technique are completely discarded by these opponents.
- The thought school supporting the notion that rewards have a positive effect on employee motivation under any situation, and they recommend that a collective best practice approach should be used.
- The group that believes that "either positive or negative employee motivation can be experienced due to rewards."

Different studies have found that what moves one person to use effort to deliver work tasks, may have little or no motivational effect on another person. According to Spector (2003), there are a variety of influences that motivate employees, some of which are tangible or monetary such as performance bonuses, and others which are intangible or non-monetary such as a feeling of achievement and recognition.

Highly motivated and capable individuals have a choice of employment opportunities in local and international markets, and it is therefore critical for organisations to retain these individuals. The manner in which individuals are rewarded for their performance must be adapted in the highly competitive work market of today (Stander & Rothman, 2008). According to Oosthuizen (2000), the role of management is to motivate their employees effectively and guide their performance outputs and behaviour to realise superior organisational effectiveness. It is therefore also reasonable to draw the conclusion that these managers then must have an understanding of what and how to motivate their employees, in order for the organisation to be successful (Amos, Ristow & Ristow, 2004). Ullah Khan, Umar Farooq and Imran Ullah (2010) ascribed employee motivation as the link between the goals of the organisation and the goals of the individual. They argued that if employees were not inspired and motivated in fulfilling their personal goals within an organisation, it would lead to reduced performance in the organisation and declined productivity. Motivation must therefore be used as a tool for the achievement of personal and organisational goals simultaneously.

Van der Merwe (2009) affirms that there are only a few studies in South Africa that addressed the issues of employees' perceptions of, and the value which they attach to financial and non-financial reward systems. The effective and creative implementation of different reward strategies will allow South African companies to have highly motivated employees, giving them a competitive advantage in the global marketplace.

As seen from the above arguments, it is important to understand the significance of motivation in different contexts and under different circumstances, and the question about what exactly it is that brings forth motivation, remains a matter of great dispute in the various theoretical approaches which will now be discussed. The discussion will follow the framework of the model as adopted from Shields (2012) as depicted in Chapter 1.

2.2   THE IMPACT OF FINANCIAL REWARDS ON MOTIVATION

Financial rewards are a means to recruit and retain highly effective employees. Shields (2012) describes financial rewards as having three basic types of components:

- Basic fixed salary, which is the relatively unchanging component of the total remuneration or compensation package.
- Direct benefits in addition to the base pay, such as employer contributions to pensions or provident funds, medical aid contributions, child care etc.
- Performance-related pay, which is incentives being paid on the basis of performance outputs delivered.

Adeogun (2008), however, is of the opinion that financial rewards have not outrightly been recognised as the preferred method to motivate employees to increased job performance. On the other hand, Sweeney and McFarlin (2005) insist that monetary incentives are most important, because "pay is one of the most important rewards that people get from working."

Gupta and Shaw (1998) point out that a financial reward has motivational potential because of the economic and monetary benefits associated with it. They explicate

that "money motivates human beings because money is needed to acquire material benefits, i.e. houses in better suburbs, new cars, and clothes. Money also establishes our social status and worth in the community." By revoking reinforcement theory they articulate that "financial rewards motivate people because it affirms specific actions and behaviours; it also motivates employees by reinforcing material acquisition and people then deduct that making monetary progress in one's career is desirable as it establishes a perceived map of the route employees must take to be regarded as successful, and in order to be successful, one needs to earn more money" (Gupta & Shaw, 1998).

Alfie Kohn (1993) on the other hand, is most certainly frank in his opinion about financial rewards and is highly acclaimed for criticising the effect of monetary rewards as an incentive for motivation and performance in an organisation. He is a social psychologist from the United States and his argument basically is that monetary reward programmes are impaired, as they are seen to be founded on generally accepted, false psychological assumptions. Kohn (1993) argues that extraneous monetary performance-based incentive schemes are opposite to intrinsic motivation and he makes six main points against using monetary incentive schemes to motivate employees:

1.   *Incentives undermine intrinsic interest in the job.*

Kohn (1993) contends that the only true motivators are intrinsic. Deci and Ryan (1985) also state that motivation is derived from genuine curiosity about the content of the specific position, and pleasure and fulfilment come from performing work functions to the best of one's ability. When a monetary reward is paid, employees view it as a bribe, which indicates that they have to do something which they probably would not want to do without having to be paid to do it. Such thoughts cause employees to lose their intrinsic interest in what they do, which negatively impacts on the quality of their work. According to Kohn, employees who do not receive any additional financial incentive, even may deliver better work in comparison to individuals who do receive an additional financial reward (Davis 1995).

2.   Financial incentives motivate employees to seek one thing above all else: the financial incentive

Kohn (1998), states that workers will only demonstrate that specific type of behaviour that attracts a monetary reward. Employees are therefore likely to ignore even desired behaviour in the workplace, if the behaviour is not incentivised by a monetary reward. From the employees' perspective all unrewarded behaviour may be excluded from work programmes, and this rationale may lead to a dysfunctional organisation.

3.   Rewards punish

Kohn (1998) alludes that nobody wants to be controlled, and monetary incentives, like inflicting suffering, are basically the tools being used by employers to manipulate the behaviour of their employees. This argument, however, according to Shields (2012), may be seen as an acknowledgement that monetary incentives may very well be successful in accomplishing financial goals.

4.   Rewards damages cooperative work relationships

When monetary rewards are paid to certain employees, it enhances competitiveness among employees, which in turn may serve to undermine cooperation and teamwork in the organisation. Pfeffer (1998) is also critical about paying monetary rewards to individuals and argues that teamwork and cooperative work relationships will suffer as a result of using monetary incentives to motivate employees.

5.   Rewards do not address the basis for performance problems

Kohn (1998) is of the opinion that, if you want employees to be motivated to perform their work duties in an excellent manner, you should give them work duties which they desire to perform. He sees incentive pay as addressing symptoms, rather than the root causes. He accuses supervisors of being tricked into relying on incentive pay as a substitute for effective management strategies, such as providing an appropriate job design, giving meaningful feedback on performance, providing ample opportunity to employees to develop their skills and competencies, and providing workers with adequate discretion and autonomy to be creative in their job.

6.   Rewards discourage risk-taking

When monetary incentives are linked to specific outputs, it reduces the element of creativity and taking risks. Monetary rewards focus on specific expected outcomes such as ethical conduct and adherence to rules, and not on innovation and creativity, in other words, do the job well, and not better. Kohn (1998) is of the opinion the people stop thinking, and just do what is expected of them.

Kohn (2001) reiterates that he is not arguing that money is not important; he emphasises that it is of the utmost importance that the basic salaries of employees should be generous and adequate in meeting their basic needs, but the main objective should be to do everything possible to take working to earn additional financial rewards off people's minds (Kohn 2001). He specifically attacks money-for-performance rewards, and not generous basic salaries being paid to employees. Beer and Katz (2003) went as far as to state that executives' belief in paying monetary incentives to motivate their employees is a socially constructed myth.

The understanding that monetary reward schemes cannot be used to motivate expected work output from employees is arguable. In research conducted by Gupta and Mitra (1998) it was shown that monetary incentives could have a positive influence on behaviour. Gupta and Mitra (1998) performed a meta-analysis of thirty-nine published case studies of forty-seven distinct monetary incentive-motivational relationships. Their results showed that the motivational effects of financial incentive schemes were robust and that monetary rewards were just as effective when used in challenging l as in routine jobs. Research done by Rynes, Gerhart and Parks (2005) also suggested that it appeared that monetary reward schemes could impact directly on work output to increase job fulfilment and motivation to perform better in the workplace. Houran and Kefgen (2007) contended that individuals, who are unhappy people and lack social connections, might seek solace in acquiring material goods and in doing so, used money to fulfil internal aspirations and needs. They went so far as to divide motivation for materialistic pursuit into three different categories namely

1.   Positive motivation

Positive motives refer to using monetary means to acquire basic necessities and as a measure of achievement.

2.   Negative motivation

Negative motives imply that money is used to gain power or superiority over other people and include efforts to put aside one's self-doubt or feelings of inferiority.

3.   Freedom of action motivation

Motives concerning freedom of action simply mean spending money in any way one desires.

Pouliakas (2010) commented that money and other tangible incentives do motivate short-term behaviour and equated this problem to the use of food, i.e., no matter how much one eats, within a few hours one will be hungry again. Monetary rewards therefore can never motivate or drive sustained internal commitment, and Pouliakas (2010) used a striking example to proof the point, namely when people talk about their volunteer work, one can sense the excitement and one can observe the passion which they have. It is clear that one can experience personal rewards from doing volunteer work which one feels passionate about. This is an example of real motivation where money does not play a role. Pouliakas (2010) listed six factors that create motivation, excitement, and true inspiration that together lead to extraordinary performance and achievement. They are:

- meaningfulness;
- a feeling of achievement;
- the work itself;
- autonomy;
- recognition;
- and support.

In agreement with this, Nel, Gerber, Van Dyk, Haasbroek, Schultz, Sono and Werner (2001), stated that non-monetary rewards motivate employees to improved performance, more so than monetary rewards. They listed non-monetary rewards such as:

- accountability;
- progression;
- criticism;

- acknowledgement; and
- job prospects.

Another supporter of financial rewards as a motivator is Armstrong (2007), who is of the opinion that monetary rewards are definitely strong motivators, because they satisfy needs. According to Armstrong (2007), money is essential as it is a prerequisite to satisfy our basic needs of security and survival. Agrawal's (2010) study, based on a literature review on motivation and executive remuneration, also highlighted the importance of monetary rewards as a motivator. The research findings pointed out that money was still the most crucial motivating factor for employees, and that it made them perform well in an organisation. Consequently, Agrawal (2010) maintains that although non-monetary rewards do motivate to a certain extent, after a certain point in an individual's career, money has the greater significance. A case study conducted among employees from a Taiwanese construction firm indicated that monetary compensation remained a powerful motivator for employees (Huang, Lin & Chuang, 2006) above any other type of reward. Kontodimopoulos, Paleologou and Niakas (2009) examined whether health care professionals in Greece preferred financial or non-financial rewards as motivating factors. The outcome of their study concluded that financial incentives were the strongest motivating factor, but only to health care professionals in managerial positions. Beer and Canon (2004) in their research, however, highlighted that paying monetary rewards for performance might lead to the perception that it was an entitlement.

Money has been used to motivate and retain employees, and highly motivated and effective employees are the key to optimal organisational performance and success. No organisation can therefore exist without its employees, which are, according to Cascio (2003), the most valuable resource of any organisation. Boxall and Purcell (2003) recommend that monetary motivational practices in an organisation should be tailored differently so as to fit the organisation's specific internal and external circumstances. Considerations to be kept in mind are the strategic purpose, operational context, structure, size, management style, culture, and the workforce profile of the organisation.

I shall now focus on three types of financial rewards which are used most frequently, namely performance bonuses; increased fixed or base pay; and direct benefits.

2.2.1 The impact of performance bonuses on staff motivation

The annual performance bonus paid to individual high performers is also known as the "lump sum" method and is one of the simplest and most widely applied forms of financial rewards (Shields, 2012). Monetary reward motivation in the form of performance or merit bonuses originates from creating consistency between employee work inputs and work outputs. This argument forms the basis for justifying performance-related bonuses to employees as argued by Armstrong and Murlis (1994), when they posited that "probably one of the most convincing arguments for paying monetary performance bonuses is that it is seen to be a necessity that employees should be reimbursed in relation with their work contribution."

In a meta-analysis of research covering forty-two merit bonus plans, Heneman (1990) however found that "the results to date on the connection between performance bonus payments and subsequent elevated levels of motivation and increased performance are not encouraging." He then questioned why, if the merit bonus does not really motivate employees to perform that much better, is it being used so widely? He continued to explain that despite the instrumental shortcomings, it has a powerful symbolic effect on the organisation's culture, namely the symbolism of individual effort and excellence, and Heneman referred to this as the "John Wayne factor" (cited in Budman 1997).

Gerhart and Rynes (2003) made the observation that "the more profound the association between assessed work performance and performance bonus payments, the higher the level of employee satisfaction and motivation."

In a study conducted by Kahn and Sherer (1990) on managerial salaries, they found that in line with the reinforcement theory, the fear for the loss of an annual performance reward, sustained a high level of motivation to perform in employees. The different perceptions of distributive injustice, however, lead to a lack of trust and faith in merit performance bonus assessments, which can cause motivation to be impacted on negatively in an organisation. O'Donnel and Shields (2002) cautioned

that supervisory bias might undermine the integrity of the assessment system and have a negative impact on staff motivation. Similar findings by Marsden and Richardson (1994) concluded that the motivational effect of performance bonuses was limited since widely distributed employee anxiety existed in terms of the actual procedural fairness of the process of awarding these bonuses. Redman, Snape, Thompson and Yan (2000) are of the opinion that although a great number of employees agreed that performance assessments and receiving personal feedback from supervisors enhanced their personal motivation and job satisfaction, they were sceptical about the fairness of the system. In this specific study, there was conflict surrounding the fact that whereas merit awards were given to a specific individual, the actual performance of the specific individual was reliant upon the support from all involved. Since the budget from which merit awards are paid, is limited, a payment to one individual comes at the deprivation of other employees.

2.2.2 The impact of increased fixed or base pay on staff motivation

The basic salary paid to an employee is the foundational component of an employee's total remuneration and is a fixed amount as agreed upon in the employment contract (Shields, 2012). The problem with the traditional practice of paying a fixed base pay is that the organisation ends up remunerating an individual for the position he or she is holding rather than for the skill that the person brings to the job. In order to construct the basic salary portion based on the productive capabilities of the individual holding the position rather than paying for the "position" itself, the trend has developed to increase the fixed base pay portion of an employee's salary by means of annual merit increments to deserving employees.

Merit increments take the form of cumulative annual increments to an employee's basic salary. This practice rewards employees for excellent performance in the previous year's performance cycle. It is not only seen as a reward, but also as a motivational tool to encourage employees to perform even better in the coming performance cycle. This means that the fixed salary or base pay of an employee can be increased dramatically by the performance of the employee. Sub-standard employees, who have not received a merit increment, should take this message from management as a signal that it is expected from them to improve their performance,

and then be motivated to do so as this should act as a motivator to deliver improved performance in the next performance cycle.

One of the problems with merit increments is that the traditional merit or notch increment in the public sector often is so incremental that it does not have a significantly positive impact on the motivation of employees (Budman, 1997), or to really differentiate between high and lower performers. Another issue in this regard is the perceived inequity, especially in individualistic work cultures where there is a clear distinction between exceptionally high and not so high performers, but not a clear distinction in monetary terms, as the notch increments are very small. In a study done by Tepstra and Honoree (2003), it was found that employees who received the same merit increment to their base pay as others who were producing work output of a lower standard, were very likely to quit their jobs in reaction to the perceived injustice. Mitra, Gupta and Jenkins (1995) then suggested that the minimum increment to the fixed or base pay to be large enough to be motivational, is 6 to 7% of an employee's basic salary. Any amount less than that is not seen a being truly motivational in nature.

2.2.3 The impact of direct benefits on motivation

In the global and highly competitive environment in which organisations are competing today, it is of the utmost importance that organisations create sustainable competitive advantage by aligning the employees in the company's workforce with the corporate strategy of the organisation (Berger & Berger 2011), and offering competitive salaries with direct benefits to retain these employees. Shields (2012) emphasizes that direct benefits, or so-called 'employee benefits', are essential add-ons to basic salaries and include monetary incentives such as:

- Paid annual leave; and
- Employee benefits supplementing the basic salary, that is, healthcare, life insurance, housing allowances, mobile phone allowances, a company car, etc.

Berger and Berger (2011) are of the opinion that all or most employees receive benefits by virtue of employment, not their performance. It can therefore be said that

benefits play an important role in attracting and retaining employees, but not in motivating employees to increase their performance.

According to Berger and Berger (2011), paid leave is among the most highly valued rewards by employees in the United States. Ledford and Lucy (2003) found that 50% of a random sample of the workforce in the United States would leave their current position for another employer if they were offered an additional two weeks of paid vacation leave per year. Retirement plans, in contrast, had the lowest value as a benefit to most employees in the random sample. It was only considered important by older employees who saw retirement approaching fast.

A prominent development in the employee benefits arena has been the attention to work-life benefits (Berger and Berger, 2011). These programmes are aimed at creating a balance between work and non-work lives, but according to Ledford and Lucy (2003), the motivational impact of work-life benefits on employee performance is not convincing. Roberts (2005), on the other hand, suggests that organisational policies should enhance a healthy balance between work and life management concerns, as work-life benefits are an important form of direct benefit to employees. Roberts (2005) claims that work-life benefits could definitely influence motivation, and consequently may ensue in increased job motivation, performance and productivity. These different work-life benefit strategies, which organisations can include in their company policies, may take the form of flexible working hours, employee assistance programmes, and childcare facilities, and all of these benefits then form part of the direct benefits of employees (Adams 2007).

It is imperative for an organisation to attain sufficient understanding regarding what it is that motivates their employees to satisfy their full potential (Lawler 2003). The argument from Meyer (2002) and Lawler (2003) is that for an organisation to be effective, its employees must be viewed as the major foundation of that organisation's competitive advantage. When this is true in an organisation, monetary rewards in the form of competitive salaries and employee benefits will have to be paid to retain motivated employees.

In an article by Georgellis and Lossa (2010), they purport that paying high salaries and direct benefits in the public sector could backfire, as extrinsic rewards could crowd out intrinsic motivation. Previous evidence from a study done by Eisenburger,

Pierce and Cameron (1999), suggests that crowding out is more likely to take place when specific performance on a work task is difficult to measure. This is especially the case with many jobs in the public sector. Crowding out in the public sector implies that, because of high extrinsic financial rewards being offered in the public sector, fewer highly intrinsically motivated people will choose to move to the public sector. This will result in a larger than optimal number of extrinsically motivated employees in the public sector. The problem with this phenomenon is twofold:

- It will have a detrimental effect on the quality of appointments being made in the public sector.
- By altering the composition of the workforce with more extrinsically motivated employees joining the public sector, there will be a wider acceptance of and demand for high base pay, direct benefits and other financially related remuneration schemes, as well as the use of costly, high-powered incentives, to motivate employees to perform.

The use of high base pay, direct benefits, financial rewards and other forms of extrinsic reward systems in the public sector has long been questioned. Holmstrom and Milgrom (1994), as well as Georgellis and Lossa (2010), argue that with jobs in the public sector, where it is not easy to measure how well the tasks are being performed by an employee, the use of monetary incentives and extrinsic rewards are not always efficient in motivating employees. This type of incentive schemes being offered in the public sector is often associated with less effort and less attention given to tasks of high social value (Georgellis & Lossa 2010).

Research conducted by Soo Oh and Lewis (2009) in the US Federal Government, indicated that only 18% of Federal Government employees agreed that the performance appraisal system and subsequent monetary rewards of the US Federal Government Service motivated them to do a better job. A staggering 30% of respondents indicated that they strongly disagreed that the performance appraisal system and monetary incentives of the US Federal Government Service motivated them to do a better job. When respondents were asked whether they were intrinsically motivated, only 9% believed that the performance appraisal system of the US Federal Government Service motivated them to do a better job. A total of 39% strongly disagreed that the performance appraisal system of the US Federal

Government Service motivated them to do a better job. Soo Oh and Lewis (2007) concluded that the US Federal Government faced major obstacles in using the monetary reward scheme as a means of motivating their employees to perform better. They recommended that employees should be involved in performance appraisal system design to ensure that the system in place actually motivated them. The salaries and direct benefits paid to the employees were not viewed by them as a sufficient motivational factor to encourage them to perform.

Wood and de Menzes (2011) outlined in their research how high-performance work systems as part of a monetary rewards strategy could motivate employees. High-performance work systems are a key invention of modern management theories and are claimed to have positive effects on motivation in terms of individual and organisational performance. The four dimensions of high-performance work systems are:

1.   *Enriched jobs*

In the study by Wood and de Menzes (2011) it showed that paying competitive salaries, direct benefits and enriched jobs was positively linked to both measures of well-being, that is, job satisfaction and motivation, and contentment.

2.   *High involvement management*

High involvement management is a managerial orientation that encourages greater flexibility, proactivity and collaboration through teamwork, flexible job descriptions, and idea-capturing schemes. It aims to induce more than proficient performance, namely a motivated and pro-active workforce with a culture of continuous motivation for improvement (Griffin, Neal & Parker 2007).

3.   *Employee voice*

The study by Wood and de Menezes (2011) also showed that the corporate strategy of giving the employees a voice has positive impacts on job motivation. It is of the utmost importance to give employees the opportunity to express how they feel about the performance-related pay structures and direct benefits in the organisation.

4.   Economic involvement

Shields (2012) explains that economic involvement can be defined as the methods of payment, promotion and financial benefits, that is, practices that are typically associated with the motivational element of the high performance work system.

Roberts (2005) is of the opinion that with continued pressure to enhance and improve organisational performance, it only makes sense that management understands the mutually dependent association which exists between organisational performance and employee motivation, and that direct benefits also play an important role in motivating employees.

2.3   THE IMPACT OF NON-FINANCIAL REWARDS ON MOTIVATION

Non-financial rewards, as suggested by Shields (2012), provide instant reinforcement and motivation as it can be applied immediately, whereas traditional financial rewards are applied on an annual basis. In a qualitative study done by Berberian (2008), the impact of non-monetary rewards as a company strategy to create employee motivation and job satisfaction at a Fortune 500 organisation was investigated and he made the following findings:

- 42% of the participants had a positive reaction to non-monetary rewards,
- 33% of the participants had a positive reaction to both a monetary and a non-monetary strategy,
- 25% of the participants had a positive reaction to a monetary reward strategy.

Berberian (2008) stated that organisations should not seek to replace monetary rewards strategies with non-monetary strategies, but to rather use a combination of both, as supported by the five themes which predominantly appeared in his findings, which were:
- Non-monetary rewards
- Monetary and non-monetary reward systems
- Work-life balance
- Recognition

- Morale.

The non-monetary reward strategies, referred to by Berberian (2008), may take different forms, for example:

- A manager saying thank you at a public work meeting, or in an organisational newsletter or on the internal website.
- A manager writing a personal thank you letter.
- Announcing the deserving individual the 'employee of the month'.

According to McAdams (1999) the seven basic forms of non-monetary reward strategies which are commonly in use are the following:

- Social re-enforcers, that is, recognition for a job well done, to honour and respect, giving positive feedback, and employee involvement in planning and decision-making.
- In-house training and development opportunities in preparation of career development.
- Shopping vouchers or retailer-specific debit cards by means of which items of value can be purchased by accumulating sufficient recognition points over a period.
- All-expenses-paid vacations for the employee and his or her family.
- Symbolic awards such as plaques, certificates, personal letters from the CEO, flowers, books, 'thank you' notes, desk-sets and pens, CDs, DVDs, meals, tickets to entertainment shows or sport games, access to corporate 'boxes' at entertainment venues, clothes with company logos, embossed mugs, company paraphernalia, gym or club membership, beauty salon treatments, and free parking space.
- Earned time-off from work in addition to normal paid leave entitlements.
- Flexible and family-friendly work-schedules or just the ability to adjust working hours to fit personal needs and family commitments.

In a study done by Towers Perrin (2003), performance and incentive scheme practises in 240 US and Canadian businesses were investigated and they found that non-financial incentive schemes as a reward strategy was on the increase. This may

be attributed to the fact that these types of rewards assist employers in managing overhead expenses, motivating employees and differentiating between employees going the extra mile and those who just do what is expected of them. Survey data compiled by Mecer Human Resource Consulting (2013) released figures from the August 2013 Australian Benefits Review, indicating that the number of Australian companies offering non-financial rewards has risen steadily year-on-year.

As may be surmised from the above, monetary rewards can be seen as an employee motivator, but they definitely are not the only source of motivation. Half a century ago already, Drucker (1954), alluded that all employees, whether managers or lower-level workers, required the rewards of prestige and pride, and therefore monetary rewards alone had been found not to be adequate in motivating employees.

Thumbran (2010) did research to determine if South African organisations were using non-financial rewards as motivational tools to attain competitive advantage in attracting and retaining high quality employees. He found that non-financial rewards were indeed part of the holistic total reward approach utilised by some organisations, but that employees and organisations placed primary emphasis on financial rewards as motivation technique. Thumbran's (2010) findings indicated that organisations mainly used remuneration to attract employees to their organisation, but that recognition and career advancement were the main reward strategies to motivate and retain employees. Further findings from his study indicated that male employees were more inclined to be motivated by a quality work environment; executive management were motivated by variable pay structures; and employees with none to five years of service were more inclined to be motivated by work-home integration. Thumbran (2010) concluded that non-financial rewards did have the potential to improve motivation of employees, but that they were flexible, personal, easy to use, much more difficult to replicate and could be customised according to individual preferences. Given the effectiveness of non-monetary rewards, organisations should take the time and effort to understand employee preferences to different rewards elements. In their study on the importance of pay in employee motivation, Rynes, Gerhart and Minette (2004) confirmed that money was not a motivator for most individuals.

A form of non-monetary motivational reward that is gaining in importance is training.

2.3.1 The impact of training on motivation

Training can be seen as a form of developmental rewards (Shields 2012), and includes personal learning, skills training, coaching and mentoring and organisational learning through providing bursaries to employees to further their studies. Non-financial rewards, such as role fulfilment, training, learning, and self-development, a pleasant work environment, and time-off from work are being overlooked as motivational aspects in the workplace (Chaing & Birtch, 2008). Shields (2012) is of the opinion that training as a form of developmental reward may be especially efficient in developing organisational commitment and the desire of an employee to remain with an organisation. Mullins (2007) also agreed that continuous training and development is a strong motivator for employees, as it holds the following benefits for them:

- To increase their chances of promotion, receiving recognition and an increase in their salary;
- To enhance their sense of personal satisfaction and achievement;
- To enable career progression and/or diversification;
- To give assistance to employees to improve their skills, and job knowledge;
- To instil confidence in and commitment to the organisation.

Khan (2012) investigated the impact of training on employee motivation and performance and found that training contributed greatly to employee motivation. His study showed that organisations that wanted to enhance their employee performance should focus on training and develop specific training plans for their employees, as it motivates employees to achieve higher performance levels.

Brum (2007) is of the opinion that training is of growing importance to organisations seeking to gain an advantage among competitors. There is, however, significant debate as to the effect that training has in an organisation. Some researchers believe that training leads to an increase in staff turnover (Colarelli & Montei, 1996). When employees are highly skilled as a result of intensive training, it is much easier for them to successfully apply for better positions outside the firm. Others believe

that training is a tool that can lead to higher levels of employee retention (Becker, 1993), as training will result in a sense of reciprocity in the employee and will induce an individual's commitment to the organisation. Training, however, has a considerable impact on company finances (Kaufman & Hotchkiss, 2006), as there are numerous training costs involved with training an employee, such as paying the salary of the training facilitator, training materials, travelling and accommodation costs, follow-up supervision, and the loss of productive labour hours when the employee attends the training session.

2.3.2 The impact of recognition on motivation

Hay (1998) notes that, "the primary goal of a recognition programme is to express appreciation for the efforts and achievements of employees". Hay (1998) also suggests that a non-financial reward such as recognition cannot replace pay, but that a non-monetary incentive can be very important as an additional add-on to a well-designed reward system.

Non-monetary rewards are referred to as internal rewards as they meet the internal needs of individuals such as recognition for a job well done, raising self-esteem and providing job fulfilment, thereby being the source of employee motivation (Hijazi, Anwar & Mehbood 2007). As a result, Hijazi *et al.* (2007) predict that organisations will face negative consequences when they ignore the importance of non-monetary rewards for employee motivation and retention.

Cameron and Pierce (1997) used a meta-analysis of a hundred studies of reward and performance effects to proof that a combination of intrinsic and extrinsic motivation produced an overall motivated workforce. In their study they found that people enjoyed doing a job more rather than less, when they received an extrinsic verbal or tangible reward. They proposed that the negative impact of extrinsic incentive schemes were restricted and could easily be prevented. What was interesting, was that their study showed that receiving praise led to greater task interest and motivation amongst employees, and it is therefore clear that receiving recognition does impact on employee motivation.

In a McKinsey Quarterly survey conducted in June 2009 (Dewhurst, Guthridge & Mohr, 2009), 1047 respondents from across the world indicated that there were three non-financial motivators which were more effective in motivating employees than the three highest-rated financial incentives, namely

- Cash bonuses;
- Increased base pay; and
- Shareholding or stock options.

The non-financial motivators which were identified were:

- Praise and recognition from immediate managers;
- leadership attention; and
- a chance to lead projects or work teams.

Recognition is a much more memorable method of conveying appreciation (Silverman, 2004) in comparison to a cash rewards, as personal acknowledgement by managers boosts confidence in an employee and a desire (motivation) to excel even further in his/her performance.

2.3.3 The impact of communication on motivation

Robinson (1996) reports that when employee trust deteriorates as a result of a break-down in management communication with employees, employee satisfaction and commitment deteriorates, as do motivation and discretionary effort. Stiles, Gratton, Truss, Hope-Haily and McGovern (1997) also maintained that the existence of mixed-message communication from supervisors and management eroded positive work relations and employee motivation. In a more recent study done by Nohria, Groysburg and Lee (2008), they investigated the drives that motivated workers in an organisation. They decided to use the following indicators of levels of motivation:

- Engagement
- Satisfaction
- Commitment
- The intention to quit.

They further identified four drives that underlie motivation, namely

1.   The drive to acquire information through Management communication

The drive to acquire was found to not only indicate acquiring physical goods, but there was a strong focus on acquiring information on the well-being and strategic direction of the firm and this enhance a person's sense of trust in the organisation.

2.   The drive to communicate and bond

The drive to bond relates to a person's sense of belonging to something bigger than himself/herself, which then means belonging to a specific organisation or a team, and having a sense of identity and pride in the association. Strong emotions like love and care form part of this drive, and if not met, may result in loneliness. It was found that when people leave an organisation or specific team, it resulted in a drop in morale.

3.   The drive to comprehend

The drive to comprehend refers to a person's need to be able to make sense of the world, the meaning of life, to have a purpose, and to be challenged. Employees need to understand the organisational goals and objectives for them to be able to contribute positively to the organisation. Communication between managers and employees must be effective in order for employees to fully comprehend their role in the organisation.

4.   The drive to feel safe and secure

The drive to feel safe and secure in one's work-environment comes from the inherent "fight-or-flight" mode and the need of a person to feel safe and secure. Employee confidence is impacted by the consistency and truthfulness of management communication. When employees feel that they cannot trust the communication from management, they will not feel secure in the organisation. The presence of mixed messages and a lack of trust will impact negatively on motivation (Shields, 2012).

The study by Nohria *et al.* (2008) reveals that each of the motivational drives is independent and that they cannot be ordered hierarchically or one be substituted for

another. Their results showed that an organisation's ability to meet these four drives profoundly impacted on the level of individual motivation.

2.3.4 The impact of career development on motivation

Career development and progression are one of the most important non-financial developmental reward strategies that an organisation can ascribe to (Shields 2012). Amabile and Kramer (2010) state that employees are continuously forming perceptions and experiencing emotions in the workplace and this they refer to as "inner work life". Inner work life is a dynamic interaction between personal perceptions, emotions and inner motivation. Perceptions and emotions are strong feelings which will impact on a person's motivation. When an employee feels that the organisation enables career development and progression, it creates strong positive emotions in the employee towards the organisation. Reciprocity essentially ensues in an employee being motivated to perform well in an organisation when the organisation invests in developing and advancing the career of that employee. Amabile and Kramer (2010) observed that employees performed better when their experience at the workplace consisted of positive emotions of reciprocity, stronger intrinsic motivation, and a passion for the work, as well as having more favourable perceptions of work, their team, their managers, and the organisation as a whole. People who were more motivated, were more productive, committed to their jobs, and experienced more satisfaction from the work itself. Amabile and Kramer's (2010) research showed that the most important managerial behaviours involved two aspects:

- Enabling employees to move forward and advance in their career, and
- treating employees decently as human beings.

Payne, Cook, Horner, Shaub, Boswell, and Ozias (2010) also support the view that the most important aspect in motivating employees, is to give them the opportunity to continuously grow through enhancing their career skills and career development in the organisation. Different types of rewards motivate different types of people. According to Robins *et al.* (2007), professional employees, in comparison to non-

professional employees, prefer advancement in their careers and are devoted to their occupations. Monetary rewards do not play a significant role to these individuals, since they are already highly remunerated. Professional employees, it was found by Robins *et al.* (2007), were motivated by opportunities for even further career development.

2.3.5 The impact of the work environment on motivation

Woodruffe (2006) pointed out that although money was important in motivating employees, the following non-monetary work-environment rewards were also considered to be motivators:

- The possibility of advancement
- Autonomy in the workplace
- Civilised treatment
- Employer commitment
- A healthy work environment
- Exposure to senior people
- Praise being awarded
- Available support
- The feeling of being trusted
- The feeling of working for a good and reliable organisation.

Good working conditions are seen to be a strong motivational influence in terms of providing a physically safe and secure environment to employees where mental stress is reduced to the minimum (Shields 2012). The measure of stress and anxiety attributed to the workplace environment may have a detrimental effect on an employee, even to the point of resigning. Nelson (2004) confirms that individuals considered work-life balance, flexibility, job participation, significance in their role, and more personalised acknowledgement, as more motivating than mere financial rewards. According to Ainsworth and Smith (1993) the work environment impacts on employee motivation and they define the work environment as the technical (physical) environment, the human environment and the organisational environment in which an employee operates.

1.   *The technical environment*

Ainsworth and Smith (1993) describe the technical environment as the structuring of the physical work environment, including the office lay-out, office design, buildings, furniture, vehicles, tools, equipment, technology, noise levels, the room temperature and illumination levels, hygiene and cleanliness, and a safe and secure environment, compliant with Occupational Health and Safety Legislation.

2.   *The human environment*

Leadership was found to be a key element in the human environment that should inspire, motivate and create cohesion amongst employees. Managers should show interest in their employees as human beings, show empathy and listen to their opinions in order to effectively motivate them (Ainsworth & Smith, 1993).

3.   *The organisational environment*

The construct of the organisational environment is defined by the policies and procedures of an organisation. It should underpin the nature of the organisation, the structures and values that make the organisations unique and which give employees direction, create synergy and render an overall motivated workforce (Ainsworth & Smith, 1993).

According to Ayers (2005) the work environment must ultimately motivate employees to go to extreme lengths to fulfil their responsibilities towards the organisation.

2.4   THE IMPACT OF USING BOTH MONETARY AND NON-MONETARY REWARDS ON MOTIVATION

The question remains, which motivational factors are seen as the most important and desired by employees? According to Guthrie (2007), both monetary and non-monetary rewards play a vital role in an organisation's strategic approach to managing human resources with the aim of attracting, retaining and motivating high performing individuals.

The importance of the different motivational factors as identified in the model adopted from Shields (2012), was reflected in a study done by Aworemi, Abdul-

Azeez and Durowoju (2011) on the motivational factors impacting on employees in Nigeria. They set out to find the ranked importance of seven different motivational factors amongst employees of fifteen medium-sized companies in Nigeria. By identifying the order of importance to employees of the different motivational factors, their findings were envisaged to assist employers to help retain a productive and motivated workforce. The results in terms of the ranked order of the motivational factors according to the respondents were the following (ranked from the most to the least important):

- *Good working conditions*

  Good working conditions include optimal physical conditions, such as adequate work space, good ventilation and lighting; good working relationships with superiors; little or no tension and stress on the job; and the freedom to adopt one's own approach and make decisions.

- *Interesting and stimulating work*

  When an employee is doing what he/she enjoys, he/she will devote much effort to the task, which will cause high performance.

- *Good wages*

  Good wages also include other financial rewards and benefits, such as performance bonuses, leave entitlements, transport and housing allowances, annual salary increments, and meal subsidies.

- *Job security*

  Job security refers to both physical and emotional security in terms of safety and economic work security.

- *Promotion and growth opportunities in the organisation*

  Employees were found to be motivated by having been given the opportunity to learn and grow in the organisation and being able to be promoted to more senior positions in the company.

- *Full appreciation of work well-done*

  Employees agreed that when they received recognition for work well-done, it motivated them to do even more.

- *Personal loyalty to employees by the employer*

  Most employees did not regard personal loyalty from their employers as a high motivational factor.

In a study by Roth, many years ago (1989), at that time already, it was found that monetary rewards by itself, no longer served as a motivational tool to exert energy. Kirstein (2010), more recently, conducted research to determine which motivational factors were regarded as most important by future business people. In this study, a questionnaire was distributed to a sample of 152 Aarchus School of Business students and to 148 respondents from the Management and Marketing Department at University of Gdansk in Poland. Participants were asked to rank thirteen motivational factors in the order of their importance. Kirstein (2010) found that the distribution of positions of importance was similar in both groups of respondents. All respondents indicated that interesting work and good wages were the most important to them. According to Kirstein (2010), this suggests that both types of monetary and non-monetary were preferred by future business people. It was found that factors from both categories of rewards motivated the respondents; therefore, the implications of his study are that motivation should be based on both monetary and non-monetary motivators.

A study by Adams (2007) to measure work motivation amongst employees in a government department in the Western Cape Provincial Government brought to light some interesting findings. The study suggested that motivated and satisfied employees were more productive and that there were more improvements in service delivery to the public. A biographical questionnaire and an organisational motivation questionnaire were administered to respondents. These questionnaires elicited responses on how the different facets of the respondents' work, compensation, advancement, recognition, working conditions, work benefits, interpersonal relations, and supervision influenced their work motivation. The results, according to Adams (2007), indicated that achievement, recognition, the work itself, responsibility, career advancement, growth, the need to earn an acceptable income and being treated with respect were all impacting on staff motivation in the department.

Monetary rewards, organisational benefits, and various other forms of rewards have been used to entice employees to accomplish organisational objectives worldwide (Chiu, Luk & Tang, 2002). Maslow, Stephens and Heil (1998) were of the opinion that even where money pay continues to seem to be important, it is often not so in its own literal, concrete character, but rather as a symbol for status, success, and self-esteem with which to win love, admiration, and respect.

The argument for using both monetary and non-monetary reward systems in an organisation was also made by Manolopoulos (2008), in stating that money together with work recognition, opportunity for career advancement, and the opportunity for further learning and development are all types of motivators to be used to enhance employee performance. From a study performed by Mathauer and Imhoff (2006) on the motivation of health workers in Africa, it became evident that money alone was not as good a motivator as when it was being used in conjunction with non-financial motivators. The examples stated in the research by Mathauer and Imhoff (2006) supported the theory that there are non-financial motivators which are equally effective as money and that more organisations should implement these non-financial motivators depending on the preference of their employees.

Oldham and Hackman (2010) highlighted that by recognising the existence of certain attributes in jobs, employers will be able to use these attributes to increase the chances that employees will find the jobs and their roles in the organisation meaningful. The attributes which they referred to were:

- Skill variety
- Task identity
- Task significance
- Autonomy
- Feedback from the direct supervisor.

Oldham and Hackman (2010) concluded that when employees experienced meaningful work responsibilities brought on by the above-mentioned job attributes, it would result in them being motivated to perform even better.

In a study done by Moodley (2011), he investigated employees' perceptions on whether monetary rewards would motivate them to perform better. The result of the study was a finding that the employees working at a state-owned enterprise did prefer higher monetary rewards over non-monetary rewards, but this preference only indicated that in aggregate there was a slightly bigger leaning towards monetary rewards. The findings, however ,did not support monetary rewards strongly; in fact, when employees' perceptions regarding each of the non-monetary rewards were compared individually against receiving the monetary reward, employees actually preferred receiving certain specific non-monetary rewards rather than receiving a

higher monetary reward. The non-monetary rewards which were specifically chosen over monetary rewards in individual cases were:

- Taking part in setting organisational goals;
- having challenging, non-repetitive work, and
- having opportunities for career advancement and promotion in the organisation.

This study demonstrated that money alone did not motivate the employees and that both monetary and non-monetary rewards affected motivation, and should be used together in the total reward mix being offered to employees at the state-owned enterprise. The impact of non-monetary and monetary reward programmes on employee motivation was also investigated in a study conducted by Narsee (2012). The respondents at the time of the study were previously and at that time employed MBA students from a Johannesburg-based business school with experience of a reward programme within their respective organisations. The findings from the study indicated that 42% of the respondents claimed that monetary rewards were the most important in motivating them, but 21% of the respondents felt that career development and being in a successful coaching/mentoring relationship with a supervisor would motivate them more. Another 21% of the respondents were of the opinion that getting the opportunity to be involved in decision-making processes and receiving work performance recognition motivated them to perform better. Having a balance between their work life and personal life was rated as the most motivational reward instrument by 9% of the respondents, while 3% of the employees considered the provision of learning opportunities as more motivating to them. Receiving good organisational benefits was indicated as the most motivational aspect by another 3% of the respondents, while 1% of the respondents felt that being in a good work environment was ultimately what motivated them. It is clear that monetary rewards alone cannot motivate all employees and that non-monetary rewards must be used in combination with monetary rewards to successfully motivate employees.

Marchington and Wilkinson (2008) are of the opinion that both financial and non-financial rewards are regarded as incentives that motivate employees to attain organisational goals. Research done by Wolfe and Loraas (2008) suggests that non-financial rewards boost specific behaviour when individuals are recognised and

when the rewards include both symbolic and instrumental motivational symbols. On the other hand, Wolfe and Loraas (2008) also believe that to motivate behaviour, performance should be linked to financial pay rewards to increase effort.

Bussin (2009) identified three motivators for performance in his research, namely

- Money,
- social recognition, and
- performance feedback and communication.

Bussin (2009) concluded that different performance effects could be stimulated by using different types of incentive motivators, for example, monetary and non-monetary rewards. Munsamy and Venter (2009) concur with this opinion and affirm that an organisation should develop personalised reward strategies which comprise monetary and non-monetary rewards to motivate their employees.

2.5   SUMMARY

The importance of the different motivational factors as identified in the model adopted from Shields (2012) was discussed in this chapter. The literature review has indicated that motivation in terms of human performance is a determinant of competitive advantage for any organisation, and if managers can determine what it is that motivates employees to do even more, it will definitely give an organisation the winning edge over its rivals. How to motivate employees in the best way possible, therefore is one of the most asked questions by organisations. Is money the best way to motivate employees? If employees are asked to choose between money and the enjoyment of work, what would their answer be, and will all employees give the same answer? These questions have been addressed in this chapter and it emerged from the discussions, that there are various arguments, for example, those that are in favour of and others that are against monetary rewards as a motivator; those that are in favour of and those that are against the use of non-monetary rewards as a motivator; and then there were those in favour of using a combination of monetary rewards and non-monetary rewards as motivator. There are several forms of non-monetary rewards, which in conjunction with monetary rewards form the basis of motivating employees. Different facets of non-monetary rewards have been taken

under scrutiny in this chapter and their impact on employee motivation was discussed. The forms of non-monetary reward strategies which were investigated were:

- Training and the impact of training on motivation.
- Recognition and the impact of employee recognition on motivation.
- Communication and the impact of communication on motivation.
- Career development and the impact of career development on motivation.
- The work-environment and the impact of the work-environment on motivation.

Supporters of non-financial rewards as stated above, argue that traditional cash rewards such as performance bonuses and merit increments, quickly lose the impact to motivates, because employees then view these merit increments to be part of their basic salary or annual performance bonuses as entitlements, rather than as real rewards. Several theories supported monetary rewards as motivators. The impact of performance bonuses on staff motivation; the impact of fixed or base pay on staff motivation; and the impact of direct benefits on motivation have been discussed. It was deducted that although money does motivate, money alone does not motivate all employees.

From the above discussions it seems that there is no conclusive agreement on the use of one specific reward strategy as a motivator. There is, however, agreement that employee motivation is needed in any organisation if the organisation wants to be successful.

2.6   CONCLUSION

The different aspects of the model adopted from Shields (2012), have been discussed extensively in this chapter. It is clear from the literature review that there are numerous theories on the impact of monetary and non-monetary rewards on employee motivation. After decades of research on employee motivation, it is evident that well-designed reward systems are critical to linking employee involvement, employee motivation, and organisational performance. The reward system ascribed to by an organisation specifies the behaviours and performance that the organisation values, and organisations reinforce these behaviours through monetary and non-

monetary rewards. Without good reward systems, employee motivation and involvement in the workplace will lack focus and will lead to mediocre performance. It is therefore evident that both monetary and non-monetary rewards play a vital role in an organisation's strategic approach to managing human resources with the aim of attracting, retaining and motivating high performing individuals. The effective and creative implementation of different reward strategies is crucial in assuring companies will have highly motivated employees, giving the company a competitive advantage. It is clear that non-financial rewards boost specific behaviour when they entail individuals being recognised, and when they include both symbolic and instrumental motivational symbols. On the other hand, to motivate behaviour, performance should be linked to financial rewards to increase effort. Money does motivate; however, when used alone it only produces temporary compliance and is not effective in shaping employee behaviour and conduct to last for an extended period of time. Employees, when only given money as a motivator, will show a positive attitude for a short time, and will seek more money for reward in future, as a sense of entitlement is created. The focus should be on creating a work environment where employees are consistently motivated and engaged. Non-monetary rewards are highly visible and have a longer impact on motivation than cash. Non-monetary rewards are also flexible and therefore very effective as employees are individuals who are all different in character, and they are motivated in different ways. It is of the utmost importance that organisations understand the expectations from their employees pertaining to what type of rewards really motivate them. Organisations should develop personalised reward strategies to motivate their employees which could not easily be duplicated by competitors to ensure that they retain highly effective employees.

Large amounts of monetary rewards are being paid out annually by organisations across the globe in the belief that money truly motivates employees to increase performance in the pursuit of attaining organisational goals. Using pay-for-performance is also a long-established management practice in Government Departments in South Africa, but it is clear that money alone does not really answer the question of employee motivation. There are non-monetary rewards which are also available to employers, which in conjunction with monetary rewards can create an optimum reward strategy for an organisation to effectively motivate its employees.

With current service delivery problems being experienced in Government Departments, management should determine which motivational reward strategies are important to their employees in order to have an organisational reward strategy which is truly effective in motivating their employees. Performance-related pay can no longer be seen as an entitlement; instead Government should re-evaluate the effectiveness of current reward strategies on employee motivation and ascertain whether the current practices are still the most effective methods to motivate its employees. As seen from the different monetary and non-monetary reward strategies discussed in this chapter, there might perhaps be other motivational reward strategies that could be more effective.

The model as adapted from Shields (2012) contains all the different facets of monetary and non-monetary reward strategies as discussed in the literature review. The impact of these different facets on employee motivation has been highlighted in this chapter. Chapter 3 will provide a short history of the reward strategy currently ascribed to by the Department of Justice. The strategy of the Department will be measured against the different aspects contained in the model adopted from Shields (2012) which includes monetary and non-monetary rewards.

Chapter 3

BACKGROUND TO THE RESEARCH

3.1   INTRODUCTION

In this chapter the different facets of the current reward strategy of the Department of Justice, which is in place to motivate its employees, will be discussed. Attention will also be given to facets of a total reward system as illustrated by the model adapted from Shields (2012) which are considered to be important to employees.

The promotion of organisational efficiency is at the heart of the 2014 Performance Management Policy and Reward Strategy of the Department of Justice (Department of Justice, 2014). Department is committed to implementing a reward management system that will translate the Departmental strategy into individually structured performance agreements which will challenge and motivate employees to perform at their optimal capacity in pursuit of successfully establishing the mandate of the Department. The policy applies to all employees, including employees on probation and contract workers appointed in the Department in terms of the Public Service Act of 1994 (Department of Public Service and Administration, 2014).

The primary aim of the current performance management policy and reward strategy of the Department is to achieve the following objectives:

- To effectively mobilize all human resources in the Department in pursuit of prioritising and achieving the Departmental Strategic Objectives.
- To create an environment that promotes performance and establishes a learning-driven culture.
- To improve communication among managers, supervisors, and staff members, and clarify the roles and responsibilities of each person.
- To facilitate the continuous monitoring and evaluation of individual performance.
- To improve unacceptable performance through various interventions.
- To provide guidelines on the management of the performance reward framework in rewarding the performance of employees.

(Department of Justice, 2014)

The principles on which the performance management policy and subsequent reward strategy of the Department are based, entail the following:

- *The individual performance agreement of each employee should be aligned with the overall departmental strategic plan to ensure performance is rewarded accurately.*
- *Performance assessments shall be done in terms of considering quality, quantity, processes and procedures applied in achieving the key identified performance areas.*
- *The performance management review process and subsequent awarding of rewards shall be an equitable and fair system while maintaining transparency and administrative justice.*
- *Performance management shall be an on-going consultative process whereby both the employee and the supervisor engage in continuous communication on the individual's performance throughout the year and not only on the final assessment.*
- *The employee and the supervisor shall both be accountable for ensuring that a performance agreement is entered into and that performance assessments are conducted quarterly.*
- *Performance management shall be used as a developmental tool to promote and reward outstanding performance in the organisation.*

(Department of Justice, 2014: 08)

In the study the current reward strategy of the Department of Justice was explored as compared to the model adapted from Shields (2012), with due cognisance taken of the different facets of monetary and non-monetary reward strategies as discussed in the literature. This chapter will be devoted to a discussion of that comparison.

3.2 FINANCIAL REWARDS

The reward strategy ascribed to by the Department of Justice, as contained in the Performance Management Policy of the Department of 2014 (Department of Justice, 2014), consists of a description of financial rewards in the form of performance bonuses and notch increments that may be awarded additionally to the basic salary of officials. In the annual budget of the Department, 1,5% of the total remuneration budget of employees is earmarked for paying performance bonuses to deserving employees, while 2% of the total remuneration budget is set aside for pay progression on base pay. The policy makes provision, only in exceptional cases, for the Director-General of the Department to be approached to approve overspending on the 1,5% allocation to performance bonus payments. The supervisor or manager of an employee may not make a recommendation on financial rewards, only the moderating committee will have the authority to recommend financial rewards after moderation (Department of Justice, 2014).

A new moderation committee is appointed annually, and the duty of the moderation committee is to ensure effective moderation and standardisation of the final assessments of all employees. It is important to note that the members of the moderation committee cannot assess employees on an equal rank or above. The members to the moderation committee therefore normally comprise employees on senior management level. The moderation committee then sets up moderation criteria or standards to compare employees who are performing the same functions in the organisation. The moderation committee evaluates individual employee performance against the overall performance of the component in comparison with other peers at the same level. Should the moderation committee detect any deviations or discrepancies, or outcomes which are not in line with the expected performance results or performance ratings given by the supervisor to the employee, the performance assessment will be referred back to the relevant supervisor and employee for further review and correction. Minutes is kept of the moderation committee meetings. The moderation committee then makes recommendations to the Regional Head on the award of financial rewards to deserving employees, and they will also present a budget indicating the financial implications thereof. The Regional Head has the final authority to approve or reject the recommendations made by the moderation committee (Department of Justice, 2014).

3.2.1 Performance bonuses

The annual performance bonus paid to individual high performers is also known as the "lump sum" method and is one of the simplest and most commonly used types of financial rewards (Shields, 2012). Performance bonuses in the Department may vary from 4% to 18% of an employee's total cost to company salary package. As described in the Policy document (Department of Justice, 2014), the monetary performance reward is a form of motivation being offered to an employee to do more than what is expected as per the standard key performance areas described in the annual performance agreement of the employee. The following table (Table 3.1) provides the percentage demarcations within which rewards to employees in the form of annual performance bonuses are considered:

Table 3.1   Percentage demarcations for rewards paid as annual bonuses

Overall Performance	Description	Rating	Performance score	Performance bonus reward to salary levels 1 to 10	Performance bonus reward to salary levels 11 to 12
Unacceptable performance	Performance does not meet the standard expected for the job	1	69% and below	No performance bonus reward payable	No performance bonus reward payable
Performance not fully effective	Performance meets some of the standards expected for the job	2	70% to 99%	No performance bonus reward payable	No performance bonus reward payable
Performance fully effective	Performance fully meets the standard expected in all areas of the job	3	100% to 114%	No performance bonus reward payable	No performance bonus reward payable
Performance significantly above expectations	Performance significantly higher than the standard expected in the job	4	115% to 129% or	4% - 6% of annual salary package payable or	4% - 6% of annual salary package payable or

			130% to 149%	7% - 10% of annual salary package payable	7% - 10% of annual salary package payable
Outstanding performance	Performance far exceeds the standard expected of the job holder at this level	5	150% to 167%	11% - 18% of annual salary package payable	11% - 14% of annual salary package payable

(Source: Department of Justice, 2014: 11)

It must, however, be noted that due to severe budget constraints the Departmental Moderation Committee for 2011/12 and 2012/13 has capped the performance bonus awards at 6% of an employee's annual salary and no employee has been rewarded more than the 6% during the past two years.

3.2.2 Increased base pay

According to the reward strategy of the Department as contained in the 2014 Performance Management Policy (Department of Justice, 2014), pay progression to base pay will be in the form of notch increments to an employee's annual salary package. Merit increments take the form of cumulative annual increments to an employee's basic salary. This practice rewards employees for excellent performance in the previous year's performance cycle. It is not only seen as a reward, but also as a motivational tool to encourage employees to perform even better in the coming performance cycle. One of the problems, however, is that the merit or notch increment in the public sector is often seen as too incremental to really have a significant positive impact on the motivation of employees (Budman, 1997). The difference between a notch and the following higher notch is a mere 1,5% increase across all government departments as determined by the DPSA (Department of Public Service and Administration,2014).

The following table (Table 3.2) depicts the merit increments within which a reward in the form of an annual notch increment on the base pay of an employee is considered:

Table 3.2: **Merit increments within which a reward in the form of an annual notch increment on the base pay of an employee is considered**

Overall Performance	Description	Rating	Performance score	Notch increment to base pay reward payable to salary levels 1 to 12
Unacceptable performance	Performance does not meet the standard expected for the job	1	69% and below	No salary adjustment reward payable
Performance not fully effective	Performance meets some of the standards expected for the job	2	70% to 99%	No salary adjustment reward payable
Performance fully effective	Performance fully meets the standard expected in all areas of the job	3	100% to 114%	1 Notch adjustment payable to increase fixed base pay
Performance significantly above expectations	Performance significantly higher than the standard expected in the job	4	115% to 129% or 130% to 149%	1 Notch adjustment payable to increase the fixed base pay of the employee
Outstanding performance	Performance far exceeds the standard expected of the jobholder at this level	5	150% to 167%	An adjustment of 2 notches payable to increase the fixed base pay of the employee. Should the employee be on the top notch of his/her existing rank, the reward will be forfeited.

(Source: Department of Justice, 2014: 12)

3.3.3. Direct benefits

Direct benefits, or so-called 'employee benefits', are essential add-ons to the basic salaries of employees. The problem being experienced with direct benefits is that all employees receive direct benefits by virtue of employment and these are not based

not their performance (Shields, 2012). It can therefore be said that direct benefits play an important role in attracting and retaining employees, but not in motivating employees to increase their performance. The direct benefits being paid by the Department and as stipulated by the DPSA are the following:

- Paid holiday leave, sick leave, family responsibility leave, and study leave;
- Medical aid contribution by the State;
- Pension fund contribution by the State;
- Housing allowance of R900 per month (owned and rental properties);
- Long-service rewards in the form of: 10 years - Certificate and an increased annual leave entitlement of 30 working days, 20 years - Certificate and cash benefit of R7 920; 30 years - Certificate and cash benefit of R15 840; 40 years - Certificate and cash benefit of R21 120;
- Mobile phone allowances are granted when these are required for the performing of work duties and the amounts vary according to rank, as per the table (Table 3.3) below:

Table 3.3:   Mobile phone allowances

RANK	MAXIMUM AMOUNT
Deputy Director-General	R 1 500-00
Chief Director	R 1 200-00
Director	R 900-00
Deputy Director	R 700-00
Assistant Director and below	R 650-00

(Source: Department of Justice, Circular 14 of 2007)

- Mobile data allowance up to a maximum value of R500 per month according to the Mobile Data Communication Policy, Circular 97 of 2013.

However, it must be noted that from management level (level 11) and upwards, salary packages are total–cost-to-company packages and must be structured. The total–cost-to-company remuneration packages do not include a contribution from the State in terms of medical aid and housing allowance.

3.3 NON-FINANCIAL REWARDS

Non-financial rewards cost the Department little or no money, but carry significant weight and are particularly effective for employees who are comfortable with their salaries. With the Department's employee compensation budget under severe strain, non-financial incentives for employees are more crucial than ever to motivate increased performance. Non-financial rewards provide instant reinforcement and motivation (Shields, 2012), as these can be applied immediately, whereas traditional financial rewards are applied on an annual basis only.

The first non-financial reward system that warrants mentioning is training as a form of non-financial reward in the Department of Justice.

3.3.1 Training

Training is the acquisition of knowledge, skills, and competencies as a result of the teaching of practical or vocational skills and knowledge that relate to specific useful competencies required to perform a job. Training has specific goals of improving an employee's capacity, capability, productivity and performance, and may be seen as a form of reward (Shields, 2012). Training in the Department of Justice takes many different forms and includes personal learning, skills training, coaching and mentoring, and organisational learning through providing bursaries to employees to further their studies. There are two official forms of training intervention offered by the Department, namely the study assistance policy, and Justice College training courses (Department of Justice, 2014).

The Study Assistance Policy

This Policy only applies to permanent employees; contract employees are excluded, and permanent employees must have been in the employment of the Department for at least one year to qualify. The Policy covers lines of study and qualifications duly registered and accredited and which run for a minimum of twelve (12) months. Preference is given to applications for the following, in order of priority, as indicated below:

Priority 1: Qualifications that will address critical or scarce skills in the Department and which are relevant to the Department in line with the current direct duties of an employee.

Priority 2: The completion of Grades 11 and 12.

Priority 3: Undergraduate studies.

Priority 4: Applications for postgraduate studies.

Due to severe budget constraints in the Department, the focus remains on the top three priority areas. A contractual obligation exists, namely one year's service for every year paid for by the Department, commencing on completion of the qualification (Department of Justice, Circular 42 of 2013).

Training conducted by Justice College

Justice College is the official training institution of the Department of Justice and Correctional Services. It trains the officials of the Department, except for the Magistrates and Judges. Justice College provides training which is integral to the Department of Justice's efforts to widen and improve access to justice. It also enables the Department to meet the strategic objectives of the Department by empowering employees to heighten their performance. The target staff members and focus areas for training are the following:

- Clerks and other officers of the Court: Civil Section.
- Clerks and other officers of the Court: Family Court Section.
- Interpreter's Training.
- Leadership, management and administrative training in the form of a Leadership Seminar Series; Skills Programme in Management; Foundational Project Management; Service Excellence; Operational Excellence; Learnerships, and Internship Programmes.
- Prosecutors' Training for members of the National Prosecuting Authority.
(Source: Department of Justice Intranet, 2014)

Although training is an important form of reward for staff members of the Department, it would be of no avail if there was no recognition for their achievements. Therefore, recognition as form of non-financial reward warrants attention too.

3.3.2 Recognition

Recognition is the action or process of showing appreciation for an extraordinary achievement and the acknowledgement of a job well done. Circular 12 of 2014 (Department of Justice intranet, 2014), which was issued on 13 February 2014, announced that the Department would be implementing a Service Excellence Awards Programme. The first awards ceremony was to take place in August 2014. The Service Excellence Awards are non-monetary prestigious awards which are to be awarded to individuals or teams for innovation and service excellence achieved during the previous 2013/14 financial year (Department of Justice, Circular 12 of 2014). Applicants will have to submit their entries to the Regional Coordinator for adjudication by the Regional Head of the relevant province. Eligible entries will be subjected to onsite visits and interviews by National Office staff to assess and determine the entries which will proceed to compete for the National Public Service Awards conferred by the Department of Public Service and Administration (Department of Justice intranet, 2014). No other method of giving recognition and praise exists in the Department of Justice, except for receiving a word of thanks from one's immediate supervisor.

As purports by Shields (2012), communication also plays a role as a non-monetary reward in an organisation. What role then does communication fulfil as a form of non-financial reward in the Department of Justice?

3.3.3 Communication

In any organisation communication plays an extremely important role in various ways, such as in the relations between management and other employees, to ensure that all employees are kept informed of organisational goals and decisions, and what

is expected of staff in order to achieve those, and at ground level, to make sure that all staff members are fully informed of the expectations the organisations has of them (Nohria *et al.,* 2008). A variety of communication channels are applied to this end. The Department of Justice communicates with its employees in the following ways:

- The Departmental Intranet, DJINI.
- Email communication in terms of important circulars and amendment notices to delegations and policies.
- *Justice Today*, a monthly magazine issued by the Department.
- *Justice Voice*, an online issue with departmental news.

All of the above means of communication are created and distributed by the National Office of the Department of Justice in Pretoria. The different provinces may deliver input in terms of noteworthy news and activities happening in their respective regions, but normally community outreaches, departmental events and milestones reached are what they report on. Effective communication is an important element of success in any organisation. An organisation whose employees communicate effectively experiences fewer misunderstandings that create friction between staff, waste time and cause mistakes. The strategy of the Department and the role each one plays becomes clear to all. A lack of communication prevails in the Northern Cape Region of the Department of Justice as employees rely on news through the grapevine to know what is happening in the different Northern Cape Magistrate Offices and in the Regional Office. News regarding new appointments, resignations, transfers, promotions and other important matters is rarely shared by senior management with lower ranking officials. Communication among the different Directorates, such as Finance, Human Resources and Court Operations is considered to be challenging as employees tend to work in silos and co-operation is hampered by this. Effective communication in the Department will help employees and managers form highly efficient teams. According to Grobler *et al.* (2011) the result of a team that works together efficiently is high productivity, integrity and responsibility. Employees will be able to trust each other and management.

3.3.4 Career development

Career development refers to an on-going series of activities and a lifelong process of developing one's career (Shields, 2012). The focus of career development should be to manage career progression within the organisation. It involves developing new skills, moving to higher job responsibilities and the possibility of making a career change within the same organisation; in other words, 'moving up the corporate ladder'. It most often happens that when an employee's career aspirations are not met by his or her current organisation, the employee will move to a different organisation.

Career development is directly linked to the personal goals and objectives set by an individual. The process starts with self-actualization and self-assessment of one's interests and capabilities, and then naturally results in pursuing the available options for career advancement. Personal development plans for all employees are drawn up annually by the employee and his or her direct supervisor to ensure a needs-based approach to training and education in the Department of Justice. The personal development plans should be designed to identify the training needs of staff and the measures needed to achieve the desired outcome within the context of the individual's overall career progression, as well as within the context of the organisational objectives and priorities of the Department. The Department envisages that a personal development plan will assist in ensuring that the principle of meaningful training and development opportunities for all employees becomes a reality.

The problem experienced with the current format of personal development plans in the Department is that the focus is on the current position of the employee in the Department, and that it is not focused on preparing the employee to advance to a higher position. According to (Shields, 2012), the questions to be answered when completing the personal development plan are the following:

- What are the competencies required for your current job? (Refer to competency profile of job description). For example: Knowledge (Legislation, codes, etc.) and Skills (computer, interpersonal skills, report writing, presentation, etc.).
- What competencies from the above list, do you already possess?

- What then are the competency gaps?

   (Shields,2012)

The focus should not be only on the current position of the employee, but competency gaps in terms of advancing to a higher post should be identified and addresses by development interventions. Criteria for promotion are linked to qualifications and years in service experience in the applicable field of expertise. Another aspect that plays an important, sometimes decisive, role in advancement to a higher position in South African public organisations, is that all promotions and/or advances also are dependent on the employment equity figures of the job level being applied for, and this results in options for advancement being limited.

From the above discussion of the current situation in the Department of Justice, it ensues that the prospects of career advancement might sometimes not be very motivational, especially when equity figures are playing a decisive role in advancement to a higher level.

3.3.5 Work-environment

Work environment has been pointed out by research (see Chapter 2, 2.3.5) as an important motivational factor to staff in an organisation. According to Ainsworth and Smith (1993) the work environment in which an employee operates comprises the following:

1.   *The technical environment*

The technical environment is the structuring of the physical work environment, including the office lay-out, office design, buildings, furniture, vehicles, tools, equipment, technology, noise levels, the room temperature and illumination levels, hygiene and cleanliness, and a safe and secure environment compliant with Occupational Health and Safety Legislation.

Having taken the current situation of the Department of Justice under scrutiny, the situation may be described as follows: Due to severe budget constraints, the furniture in the Department is old and officials must make do with what is available.

New appointments and contract appointments have caused the available office space to become congested and several offices have two or more occupants. The building in which the offices of the Department are housed, is very old and there is no air-conditioning in most of the offices. With the extreme weather conditions experienced in the Northern Cape - being very hot in summer and very cold in winter - optimal staff productivity is hampered. Information technology, computer systems and software are not cutting edge and work processing is very slow, due to limited network access. Security guards are not effective - individuals from the general public have on occasion been found loitering in the passages and theft of cell phones, lap tops and money has occurred.

Such a work environment very well will not comply with criteria for a motivational environment.

2.   The human environment

Leadership is a key element in the human environment that should inspire, motivate and create cohesion amongst employees. Managers should show interest in their employees as human beings, show empathy and listen to their opinions in order to effectively motivate them (Ainsworth & Smith, 1993). Leadership in the Department as a whole has been found to be uninspiring in some instances and managers revert back to bureaucratic instruction giving.

These leadership practices are contrary to what research has found as conducive to motivation of staff (see Chapter 2, 2.3.5).

3.   The organisational environment

Another aspect mentioned in literature (Ainsworth and Smith, 1993) that has an impact on the motivation of employees, has a bearing on the way in which an organisation is organised or governed. South Africa is a typical example of any modern-day democracy and has three "divisions" of government (see Figure 3.1).

Judicial

Legislative   **Executive**
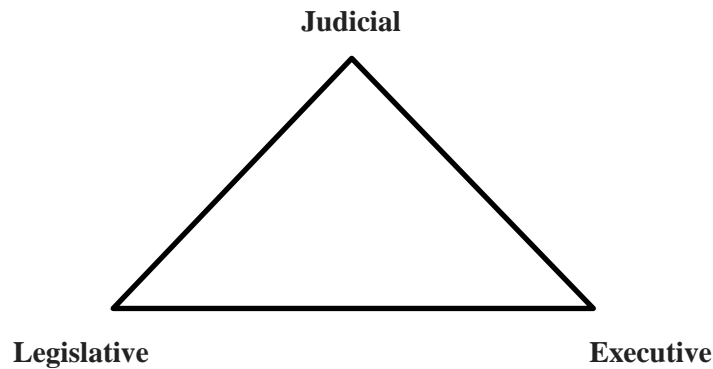
Figure 3.1:   The three Government Divisions operating in South Africa

The Judicial Division is solely responsible for applying the law and enforcing justice in South Africa. The Judiciary consists of all the Courts in the country, namely

- The Constitutional Court
- The Supreme Court of Appeal
- High Courts
- Magistrate Courts
- Specialised Courts.

The organisational environment in the Department of Justice is defined by the policies and procedures of the Department. Being a National Government Department, and in specific, being the Department of Justice, the structures and values make the Department unique in what it does, because although the Department of Justice is part of the Executive Branch of Government, it is solely responsible for the administration of the Judicial branch. No other government department supports the Judiciary of South Africa, which is an independent branch of our democracy.

It may be due to the total extensiveness of the Department, or maybe to a lack of clear and regular communication, but the important role employees in this Department play in the country perhaps is not always clear to employees. Being part of one of the three governing divisions in the country should have a major motivational effect on employees, but it is not a clear-cut matter that that is the case. The privilege to be employed in such an organisational environment may be

regarded as a reward on its own, and motivate employees to give their utmost best to make the department a leader in the country.

3.4   SUMMARY

As seen from the above discussion and the different policies in place in the Department (Departmental Intranet, 2014), the reward strategy of the Department contains elements of the model as adapted from Shields (2012) in terms of the different facets of monetary and non-monetary reward strategies. The monetary reward strategies in the Department in the form of performance bonuses, increased base pay and direct benefits are in place. The non-monetary reward strategies in the form of training, recognition, communication, career development and work-environment are not all in place, nor are they seen to be fully exploited and/or effective.

3.5   CONCLUSION

The Departmental Performance Management Policy and Reward Strategy was drafted by the Directorate: Performance and Career Management and is not representative of the views and opinions of the employees themselves. Employees were never consulted on a one-on-one basis and asked whether monetary rewards were important to them, or if there might be other aspects of a total reward strategy that might be more important to them. It is therefore not a certainty that the current monetary rewards paid to motivate employees to perform optimally are really what is regarded as important by the employees, and what they actually desire. It can therefore also not be assumed that these monetary rewards are really motivating employees to go above and beyond what is expected of them, if the Department has never asked its employees what it can do to motivate them. Management should therefore determine which motivational reward strategies are important to their employees in order to have an organisational reward strategy which is truly effective in motivating their employees.

Chapter 4

Research Methodology

4.1 INTRODUCTION

According to Welman and Kruger (1999) research involves the application of various methods and techniques in order to create scientifically obtained knowledge by using objective methods and procedures. Cooper and Schindler (2011) describe research design as the blue-print and format of investigation, structured in such a way as to obtain answers to the specific research questions which were posed. This chapter will therefore aim to submit the general structure of the research constituting the plan for the gathering, measuring and analysis of the information. The research is a case study and as defined by Cooper and Schindler (2011), case studies are used to understand events, their ramifications and processes. Blumberg *et al.* (2008) describe quantitative research as the systematic, empirical investigation of phenomena using statistical, mathematical or computational techniques and which is objective in terms of observing and representing facts without being influenced by personal feelings or opinions. Quantitative research therefore deals in numbers, logic and the objective, focusing on logic, numbers, and unchanging static data and detailed, convergent reasoning, rather than divergent reasoning. In quantitative research the goal of the researcher will be to determine the relationship between an independent variable and a dependent or outcome variable in a population.

The research was conducted to measure the features directly associated with the sub-problems identified in Chapter 1 to understand which aspects as adapted from the model by Shields (2012), contribute to the successful motivation of employees at the Northern Cape Department of Justice.

4.2 RESEARCH DESIGN

The research is a case study. Blumberg *et al.* (2008) are of the opinion that case studies have a useful approach for use in theory development as it answers 'Why?'

and 'How?' questions and is used to understand events, their ramifications and processes. They state that the main advantage of using the case study approach in research is that it relies on multiple sources of evidence such as interviews, observations and documentation (Blumberg *et al.,* 2008). According to Denscombe (2004:p no?), a case study focuses on "one instance (or a few instances) of a particular phenomenon with a view to providing an in-depth account of events, relationships, experiences or processes occurring in that particular instance".

The research design can be seen as the blueprint for the collection, measurement and analysis of data, and case studies place more emphasis on a full contextual analysis of fewer events or conditions and their interrelations (Cooper & Schindler, 2011). In business research, quantitative methodologies measure behaviour, knowledge, opinions or attitudes (Cooper & Schindler, 2011). Quantitative techniques will be utilised in this research. The following table (Table 4.1) presents the main differences between qualitative and quantitative research methods as suggested by Van der Stroep and Johnson (2010):

Table 4.1:   Differences between quantitative and qualitative research methods

Characteristic	Quantitative research	Qualitative research
Type of data	Phenomena are described numerically	Phenomena are described in a narrative fashion
Analysis	Descriptive and inferential statistics	Identification of major schemes
Scope of inquiry	Specific questions or hypotheses	Broad, thematic concerns
Primary advantage	Large sample, statistical validity, accurately reflects the population	Rich, in-depth, narrative description of sample
Primary disadvantage	Superficial understanding of participants' thoughts and feelings	Small sample, not generalisable to the population at large
Objective	To measure the degree and extent of the attitudes	To gain in-depth understanding of the respondents' attitudes and behaviour
Confidence level	Results are conclusive, with a specified degree of certainty	Results are explorative, anecdotal
Techniques used	Structured	Unstructured or semi-structured
Participants	Sample with a statistical representation of the entire population	Small and homogeneous groups

Results	Codified results compiled as statistics and numbers	Words and descriptions

Source: Van der Stroep and Johnson (2010)

4.3   SAMPLE SIZE AND SAMPLE TYPE

The target population is the officials from the Department of Justice in the Northern Cape region. A sample is part of the target population, carefully selected to represent that population (Blumberg *et al.,* 2008). The sample is the total number of employees at the Regional Office as well as fifteen employees from each of the cluster offices, namely the Upington cluster, the Springbok cluster and the Kimberley cluster. Non-probability sampling is non-random and subjective (Blumberg *et al.*, 2008). Purposive sampling can be defined as a non-probability sample that conforms to certain criteria. In the research a purposive non-probability judgement sampling method was used. Blumberg *et al.* (2008) state that judgement sampling occurs when a researcher selects sample members to conform to some criterion. Neuman (2006) supports   the general principle of, the smaller the population, the bigger the ratio should be of the sample size to the population size. Questionnaires were handed out for completion to the complete target population, which constituted 130 individuals. The employees were representative of different salary levels ranging from lower-level officials to supervisors and managers.   According to Monette, Sullivan and De Jong (2005), the distinctive feature and advantage of questionnaires to other data collection methods is that due to their design, questionnaires can be answered without assistance.

4.4   DATA COLLECTION

A quantitative approach was used in this research. Self-developed questionnaires, based on the sub-problems of the research, were employed to collect quantitative data. According to Cooper and Schindler (2011), quantitative research is the precise count of certain phenomena, opinions or attitudes and provides statistical data suitable for frequency analysis with which to solve the problem.

4.4.1 The Likert scale

Statistical data for the sub-problems were collected by making use of a 5-point Likert scale questionnaire (totally disagree, disagree, neutral, agree, and totally agree). The Likert scale is a slight departure from the summated rating scale and requires the respondent to agree or disagree with declarations that express either favourable or unfavourable opinions about the object (Cooper & Schindler, 2011). The intensity of opinion is portrayed in the allotted score, and individual ratings may be totalled for an overall reflection of opinion. According to Brace (2008), the Likert scale is an ordinal psychometric measurement of attitudes, beliefs and opinions. In each question, a statement is presented in which a respondent must indicate a degree of agreement or disagreement in a multiple-choice type format. Blumberg *et al.* (2008) explain some of the advantages of using the Likert scale as being the following:

- It is one of the most universal methods for survey collection, therefore they are easily understood.
- The responses are easily quantifiable and subjective to computation of some mathematical analysis.
- Since it does not require the participant to provide a simple and concrete yes or no answer, it does not force the participant to take a stand on a particular topic, but allows them to respond in a degree of agreement; this makes question answering easier on the respondent.
- The responses presented accommodate neutral or undecided feelings of participants. These responses are very easy to code when accumulating data since a single number represents the participant's response.
- Likert surveys are also quick, efficient, and inexpensive methods for data collection.
- They have high versatility and can be sent out through mail, over the internet, or given in person.

Blumberg *et al.* (2008) also highlight some of the disadvantages of using the Likert scale:

- Attitudes of the population towards one particular item in reality exist on a vast, multi-dimensional continuum. However, the Likert Scale is uni-

dimensional and only gives 5-7 options of choice, and the space between the choices cannot possibly be equidistant. Therefore, it fails to measure the true attitudes of respondents.

- It is not unlikely that peoples' answers will be influenced by previous questions, or will heavily concentrate on one response side (agree/disagree).

- Frequently, people avoid choosing the 'extreme' options on the scale, because of the negative implications involved with 'extremists', even if an extreme choice would be the most accurate.

4.4.2 The forced ranking scale

The quantitative data collected from the questionnaires were analysed with the help of frequency distribution which is an ordered array of all values for a variable (Cooper & Schindler, 2011). The statistical data for the sub-problems were collected by making use of a forced ranking scale. Forced ranking scale is a scale in which the participant orders several objects or properties of objects (Cooper & Schindler, 2011). Brace (2008) explains that the forced ranking survey is a survey that asks respondents to prioritize items such as features or preferred contact methods, by ranking them in order rather than by simply giving each item a score on a scale. Blumberg *et al.* (2008) point out that forced ranking avoids the problem of every feature being scored highly and it helps participants to decide which is more important by choosing one over the other, providing clearer preferences to the researcher. In the research the different facets of a total reward strategy were ranked relative to each other and the respondent had to place number 1 next to the most preferred option and number 2 next to the second most preferred option, and so forth. The forced ranking scale lists attributes that are ranked relative to each other and is a quick and simple method to obtain a rank order of importance (Cooper & Schindler, 2011).

4.4.3 Questionnaires

Questionnaires (Annexure A) were compiled in English, the official language used by the Department of Justice. One of the prerequisites of using a questionnaire is that all of the respondents should have a sufficient level of literacy and familiarity with the language used. Brace (2008) defines a questionnaire as a medium of

communication between the researcher and the respondent, that is, the interviewee. Different types of questionnaires exist, but in this research the computer questionnaire was utilised. Respondents were requested to complete the questionnaire which was handed out. Questionnaires were e-mailed to respondents in remote areas such as Upington and Springbok. The advantages of the questionnaire according to Blumberg *et al.* (2008) include their low cost, time can be saved, and respondents do not feel pressured, and can therefore answer the questionnaire when they have time, giving more accurate answers. Cooper and Schindler (2011) are of the opinion that using questionnaires distributed through electronic media as a data-gathering method has the following advantages:

- It enables a large coverage of the population.
- Little time is needed, since the researcher does not have to conduct interviews with each participant - which is very time-consuming.
- Anonymity is guaranteed.
- Bias due to personal characteristics of the interviewer is avoided.
- Participants have more time to answer questions which allows them time to reflect and provide more insightful answers.

However, the main shortcomings of an e-mail questionnaire are that respondents might not bother answering them and they may just ignore the questionnaire, the questionnaire may be filled out incorrectly or incompletely or by somebody other than the chosen participant (Brace, 2008).

4.5   RESEARCH ETHICS

Approval for the study has been obtained from the Regional Head of the Northern Cape Justice Department. The different Directorate Heads were informed of and approved the distribution of questionnaires.

Cooper and Schindler (2011) explain that moral principles or ethics are the pattern and type of conduct that directs ethical choices about our actions and relationships with other individuals. The following moral convictions applied in this study:

- **Objectivity**

  The researcher did not use questions in the questionnaire that could provoke prejudice. The capacity of respondents to answer questions satisfactorily may be misrepresented by what is included or left out in a question. The researcher should not make use of questions with only positive or negative components of the research topic, or make unfounded deductions about the respondent's position.

- **Taking part should be voluntary**

  Participation in this research occurred on a voluntary basis. Respondents were not influenced or misled into taking part in the research process. Measures were implemented by the researcher to make sure that no misrepresentation or misunderstanding could occur during the process.

- **Informed consent**

  Participants must have knowledge of all the facts pertaining to the research. An informed and knowledgeable agreement to partake in the study was obtained from each respondent before the commencement of the process. The researcher made sure that the respondents were fully informed of and understood the objectives of the research.

- **Confidentiality and respect**

  It is of utmost importance than once the confirmation of confidentiality has been given to a respondent, maintaining the code of confidentiality and treating all information provided by the respondent anonymously, be applied. The researcher made sure that the confidentiality and anonymity of the respondents, as well as of their responses to the questions posed to them, were maintained. The right of personal freedom of respondents was honoured and respondents were informed of their right to refuse to answer any question contained in the questionnaire or to take part in the study.

- **Data integrity**

  The data obtained from the respondents during the information gathering process were not disclosed to a third party. Approval to conduct the research was requested by means of a letter to the Regional Head of the Department

before the study commenced. Approval was granted (see Appendix B). Each respondent's right to privacy was and is protected. The success of the study was dependent on the respondents knowing that the information which they would provide would be classified and protected. After the confirmation of confidentiality and anonymity had been given to the respondents, protecting that confidentiality and anonymity was non-negotiable. The information gathering process commenced by explaining to all respondents the potential benefits anticipated from the findings of the research and by explaining how their right to privacy and well-being would be protected.

4.6 TRUSTWORTHINESS OF THE RESEARCH

Trustworthiness of a study means that the credibility of the study can be guaranteed. To ensure this, it is important to make sure that the data being collected are reliable, and to this end a pilot study was conducted before the data collection commenced to ascertain whether the questions posed in the questionnaire were not ambiguous or difficult to understand (Cooper & Schindler, 2011). With a questionnaire survey it is very important to ensure that there are no misinterpretations and to refine the content of the questionnaires, the wording, and possibly the length of items if necessary. Three people at different salary and supervisory levels were interviewed to test the questionnaire, and the items (the contents) were refined and adapted according to the findings. The average time it would take respondents to complete the questionnaire was also determined.

4.7 ASSUMPTIONS

The following assumptions were applicable to this research:

- The respondents have sufficient information and knowledge on the current reward strategy of the Department of Justice to give insightful answers.
- The respondents have sufficient information and knowledge of possible non-financial reward strategies which can be adopted by the Department of Justice to give insightful answers.

- The questionnaires are completed in a just, objective manner and all the questions posed were clearly understood and answered in an unbiased way to accurately portray the feelings and opinions of each individual respondent.
- The literature used in this study is accurate and portrays the actual representation of the evaluation philosophy, but is not exhaustive.

4.8   THE VALUE OF THE RESEARCH

A performance management policy is in place in the Department of Justice. This policy includes a monetary reward strategy which is currently adhered to by the Department. This research in the first place investigated whether performance bonuses were considered effective in motivating employees and whether notch increments were considered effective in motivating employees.

The research in the second instance endeavoured to determine which facets of a total reward system were important to the employees. The research wanted to identify whether there were facets of a total reward system which could be incorporated in the reward strategy of the Department to ensure employees who are satisfied, and in doing so, effectively motivated to perform. The findings will add to the body of knowledge on the total rewards management philosophy, and the desirability to incorporate it in the Department of Justice.

The findings might also be useful for other State departments, and even private organisations in South Africa.

4.9   SUMMARY

In this chapter the research methodology was discussed as applied to this study, and how it was used to conduct the research. The research was conducted to determine the facets directly related to the sub-problems identified in Chapter 1, and to obtain clarity in terms of which factors, as adapted from the model by Shields (2012), contributed to the successful motivation of employees in the Northern Cape Department of Justice. As explained the research was conducted according to the principles of case study design, and the researcher used a quantitative mode of

inquiry by applying quantitative research methods to interrogate the research problem. The reasoning behind choosing this method can be ascribed to this mode of inquiry enabling the researcher to investigate the phenomena using statistical, mathematical or computational techniques which are objective in terms of observing, and represent facts without being influenced by personal feelings or opinions (*cf.* Blumberg *et al.,* 2008). A purposive non-probability judgmental sampling type was used, as the researcher chose participants that were representative of the target population. The targeted population was the members of staff of the Northern Cape Department of Justice who, by virtue of their positions in the Department, are subjected to the Department's performance management system. The sample size for collecting the quantitative research was 130 staff members from the different directorates. Relevant ethical matters were cleared, and it was explained how the trustworthiness of findings of the study was ensured.

4.10   CONCLUSION

The concept of developing a process to obtain and then accurately analyse primary data is a very important aspect in any research. It is of utmost importance for a researcher to utilise the most applicable approach in order to obtain valid and reliable data. The value of the research lays in the contribution that it may make to motivating the employees who deliver a crucial support service in the delivery of justice to the people of the Northern Cape. The Mission of the Department of Justice is to commit all its employees in the plight to provide transparent, responsive and accountable justice for all in the Northern Cape, but in order to fulfil this mission statement, the Department must evaluate the effectiveness of the reward strategy currently ascribed to by the Department in motivating its employees. The employees of the Department play a vital role in improving the effectiveness and efficiency in the delivery of justice services in the province, and through employees who are fully motivated, courts and justice service points will be supported to improve the services rendered to public to be optimally efficient and effective. A more motivated staff corps will impact on issues in the current service rendering of the Department, such as finalisation rates, and backlogs in respect of all criminal, civil and family matters in the Northern Cape.

Chapter 5

Findings and analysis of the results

5.1   INTRODUCTION

As highlighted in Chapter 1, the research reported here investigated which facets of the current reward strategy of the Department of Justice were motivating its employees, and which facets of a total reward system were important to the employees. A reward can be defined as "anything tangible or intangible that an organisation provides to its employees either intentionally or unintentionally in exchange for the employee's potential or actual work contribution and to which employees as individuals attach a positive value as a satisfier of certain self-defined needs (Shields, 2012). The research problems were discussed in Chapter 1 and comprise the following:

Sub-problem 1:   Do employees agree that the monetary reward strategy of performance bonuses leads to motivation?

Sub-problem 2:   Do employees agree that the monetary reward strategy of notch increments leads to motivation?

Sub-problem 3:   In terms of Sub-problem 3 the following facets of a total reward strategy will also be measured relative to its importance for motivating employees, namely: How important do employees consider recognition to be in motivating them? How important do employees consider communication to be in motivating them? How important do employees consider the work environment to be in motivating them? How important do employees consider training to be in motivating them? How important do employees consider career development to be in motivating them?

In Chapter 2 different theories in terms of the impact of the following aspects on employee motivation were given:

- The impact of financial rewards on motivation in terms of the impact of performance bonuses on motivation; the impact of fixed or base pay on motivation and the impact of direct benefits on motivation.

- The impact of non-financial rewards on motivation in terms of the impact of training on motivation; the impact of recognition on motivation; the impact of communication on motivation; the impact of career development on motivation and the impact of the work environment on motivation.

The background to the reward strategies currently in place in the Department of Justice was elaborated on in Chapter 3. This chapter will present the results of the questionnaire survey and will begin with a description of the sample, and will provide an overview of the process which was followed to obtain the quantitative data. The software used to analyse the data is IBM SPSS Statistics 22. Each of the questions posed in the questionnaire will be discussed and analysed to find meaningful regularities to ascertain whether the information obtained from the respondents affirms the credibility of the literature discussed in Chapter 2. Significant trends and relationships between the data and the literature will be highlighted and any deviations from the literature will be acknowledged and interpreted.

5.2   QUANTITATIVE DATA

A quantitative approach was used in this research. Self-developed questionnaires, based on the sub-problems of the research were used to gather the quantitative data for the study. The questionnaire consisted of the following:

- The cover note, which explained the purpose of the research.
- Item 1 of the questionnaire required the respondents to share demographic information.
- Item 2 of the questionnaire contained fifteen Likert scale questions which were aimed at determining how important various rewards were in motivating the respondents to do more than what the Department expected of them.
- Item 3 of the questionnaire consisted of fifteen forced-ranking type questions to elicit from the respondents information that would clearly distinguish which reward strategies carried the most motivational weight for the respondents.

The statistical data for the sub-problems were collected by making use of a 5-point Likert scale questionnaire (scales: completely unimportant, of little importance,

neutral, important and extremely important) in item 2 of the questionnaire, whereas item 3 of the questionnaire posed forced-ranking type questions to the respondents. Blumberg *et al.* (2008) point out that forced ranking avoids the problem of every feature being scored highly and it helps participants to decide which is more important by choosing one over the other, providing clearer preferences.

5.3   DESCRIPTIVE STATISTICS OF THE SAMPLE

The target population embraced the total number of employees at the Regional Office of the Department of Justice in Kimberley, as well as fifteen employees from each of the cluster offices, namely the Upington cluster, the Sprinbok cluster and the Kimberley cluster. The employees were representative of different salary levels ranging from lower-level officials to supervisors and managers. A total of 130 questionnaires were distributed to officials, and after a period of one week 92 questionnaires were received back for processing, analysis and interpretation. Table 5.1 provides the directorates where the respondents were employed in the Department.

Table 5.1   Directorates in the Department where the respondents were employed

Directorate	Frequency	Percentage
Human Resources	19	20.7
Finance	35	38.0
Legal Section	7	7.6
Court Operations	31	33.7
Total	**92**	**100.0**

The affiliation of the sample is visually presented in Graph 1 (Figure 5.1) below:
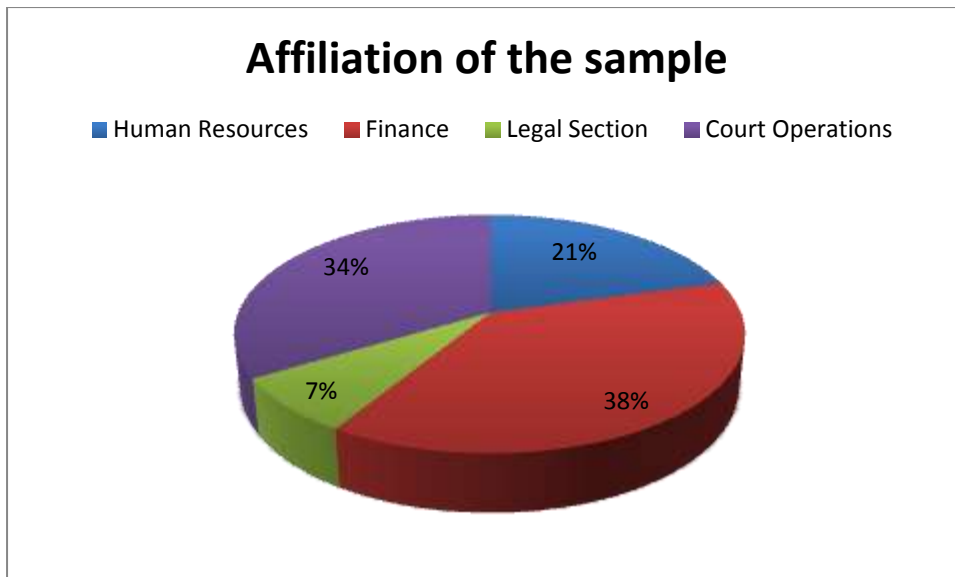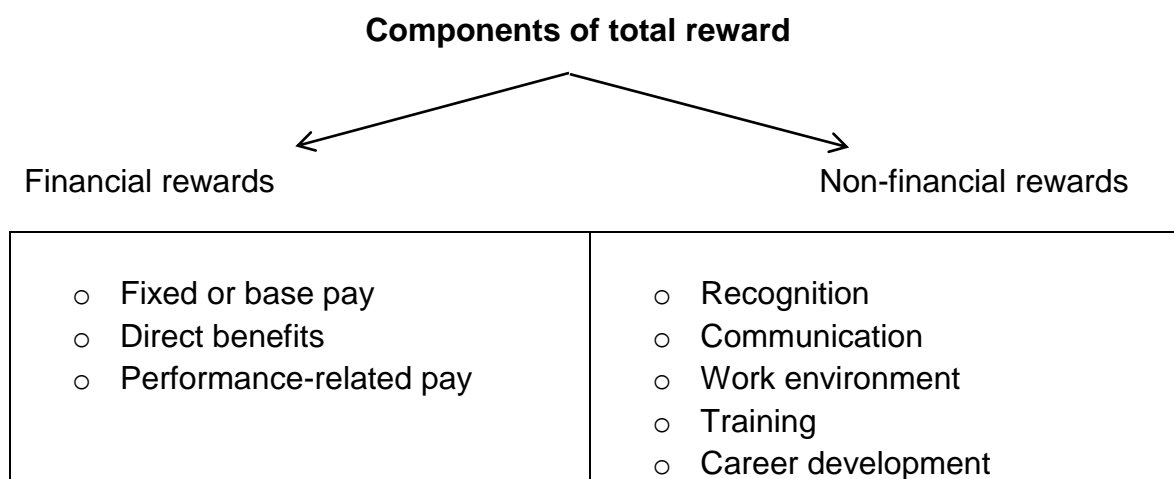
Figure 5.1   Affiliation of the sample

5.4   ANALYSIS OF THE DATA

The data collected from the questionnaires were analysed according the Sub-problems identified in Chapter 1, based on the total reward approach which Shields (2012) advocates, illustrated in Figure 5.2 below:

Components of total reward

Financial rewards   Non-financial rewards

o Fixed or base pay o Direct benefits o Performance-related pay	o Recognition o Communication o Work environment o Training o Career development

Source: Adopted from Shields (2012)

Figure 5.2:   Components of a total reward approach

The interpretation of the data is based on the findings of the literature review discussed in Chapter 2 and will be discussed in the same sequence as contained in the questionnaire which was issued to the respondents.

Item 2 of the questionnaire

In each question posed in item 2 of the questionnaire, a statement was presented to which the respondents had to indicate their degree of agreement or disagreement in a multiple-choice type format, based on a Likert scale.

Question 2.1

Receiving a performance bonus is important to me.

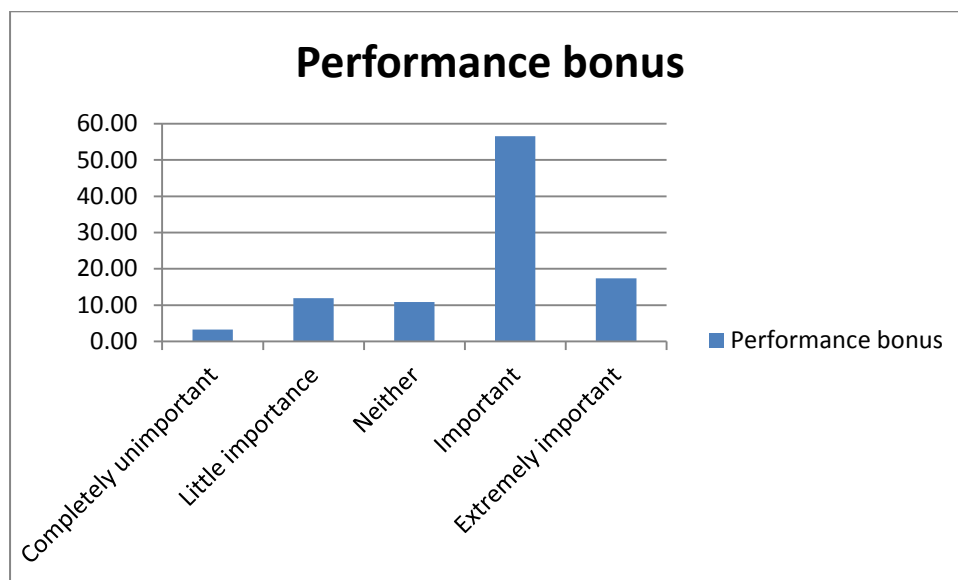In Figure 5.3 the responses are depicted in percentages.

Figure 5.3:   Importance of receiving a performance bonus

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.1:

Of the respondents 3.3% were of the opinion that performance bonuses were completely unimportant in motivating them. Twelve per cent (12%) of the respondents felt that a performance bonus is of little importance in motivating them. To 10.9% of the respondents receiving a performance bonus was neither important

nor unimportant as motivational factor, while 56.5% of the respondents were of the opinion that receiving a performance bonus was important, whereas 17.4% of the respondents felt that receiving a performance bonus played an extremely important role in motivating them.

Interpretation of the findings of question 2.1

In Chapter 2 the impact of performance bonuses on staff motivation has been discussed. Gerhart and Rynes (2003) made the observation that the stronger the link between assessed performance and merit pay outcomes, the higher the level of employee satisfaction and motivation. The deductions which can be made from the above findings are that 73.9% of employees were of the opinion that receiving a performance bonus played a role in motivating them to perform over and above the norm which was expected from them.

Question 2.2

Receiving a notch-increment is important to me.

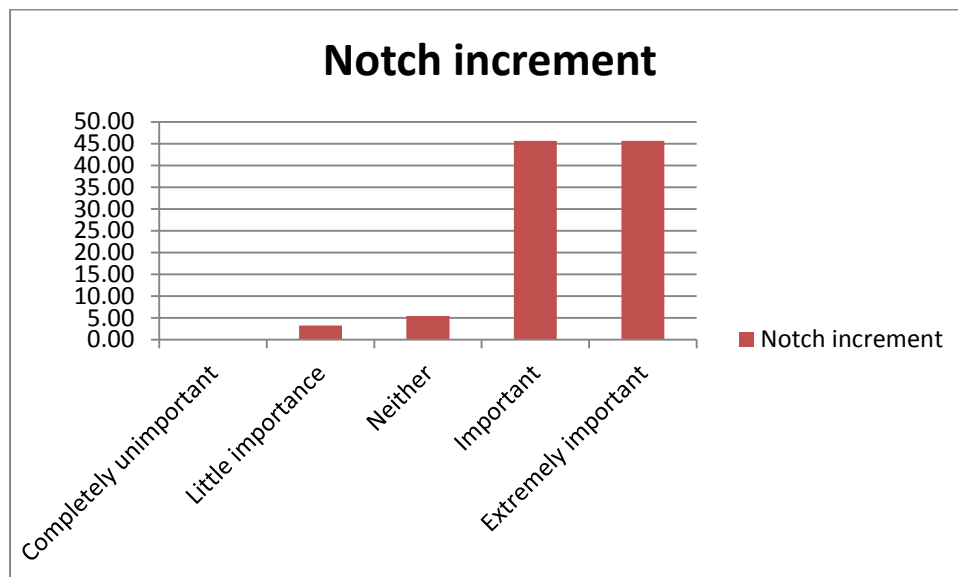In Figure 5.4 the responses are depicted in percentages.

Figure 5.4: Importance of receiving a notch increment

n = 92

X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.2:

Figure 5.4 presents a graph of the results of the responses to question 2.2. None of the respondents were of the opinion that notch increments were completely unimportant in motivating them. Of the respondents 3,3% felt that a notch increment was of little importance in motivating them; 5,4% of the respondents were neutral and responded that receiving a notch increment was neither important nor unimportant in motivating them, while 45,7% of the respondents were of the opinion that receiving a notch increment was important. An equal number of 45,7% felt that receiving a notch increment played an extremely important role in motivating them.

Interpretation of the findings of question 2.2

It is overwhelmingly clear that the impact of an increased fixed or base pay as a result of receiving a notch increment plays an extremely important role in motivating employees. A combined total of 91,4% of the respondents indicated that a notch increment motivated them. As discussed in Chapter 2, a notch increment is not only seen as a reward, but also as a motivational tool to encourage employees to perform even better in the next performance cycle. The effects of a notch increment are on-going and experienced every month when the employee receives his or her salary, in comparison with a performance bonus where the impact is felt only once every twelve months.

Question 2.3

It is important to me to have more paid annual leave days.

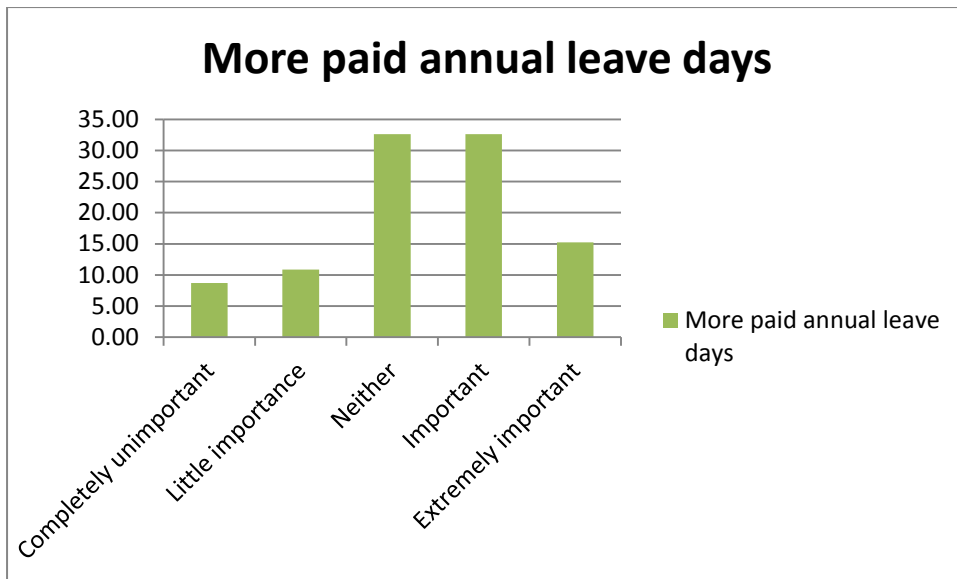Figure 5.5 below depicts the responses to question 2.3 in a graph.

Figure 5.5:   Importance of paid annual leave

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.3:

Only a small portion of the respondents (8,7%) were of the opinion that more paid annual leave days were completely unimportant in motivating them, and 10,9% of the respondents felt that more paid annual leave days were of little importance in motivating them. To 32,6% of the respondents receiving more paid annual leave days was neither important nor unimportant in motivating them. Another 32,6% of the respondents were of the opinion that receiving more paid annual leave days were important in motivating them, whereas 15,2% of the respondents indicated that receiving more paid annual leave days played an extremely important role in motivating them.

Interpretation of the findings of question 2.3

In Chapter 2 the impact of more paid annual leave days on staff motivation is discussed. Berger and Berger (2011) found that paid leave was among the most highly valued rewards by employees in the United States. The deductions which can be made from the findings given above (Figure 5.5) are that a combined 47,6% of employees were of the opinion that more paid annual leave days motivated them to perform over and above the norm. The 32,6% of respondents who were neutral may

be regarded as employees who felt that they did not need any more extra leave days. A combined 19,6% of respondents indicated that they could not be motivated at all by more paid annual leave days to perform over and above what was expected from them. This finding may also be interpreted as a finding that the leave policy of the Department of Justice makes sufficient provision for paid leave days.

Question 2.4

Receiving an increased state contribution to my pension fund is important to me.

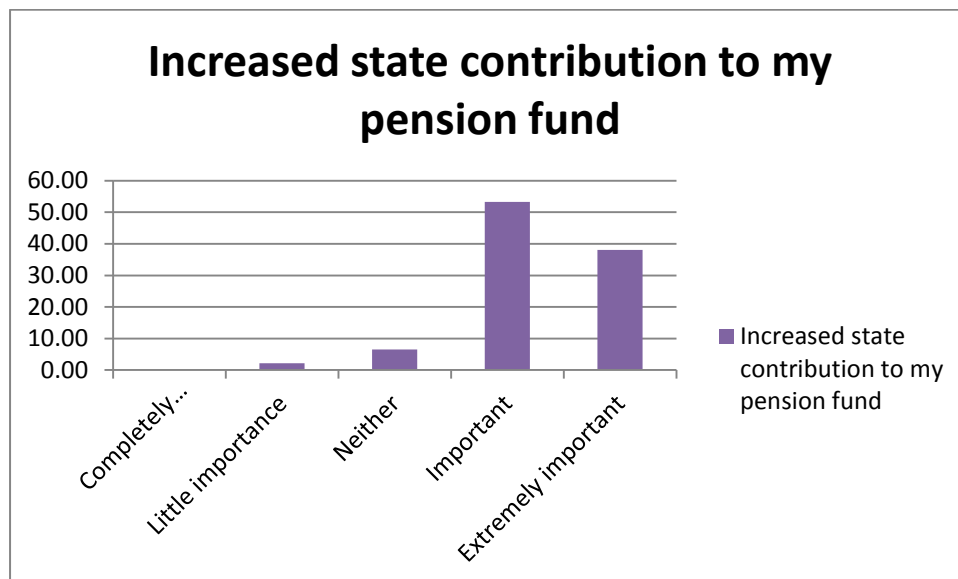Figure 5.6 depicts the responses to question 2.4.

Figure 5.6: Importance of increased state contribution to pension fund

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.4:

None of the respondents was of the opinion that an increased state contribution to their pension fund was completely unimportant in motivating them, while 2,2% of the respondents felt that an increased state contribution to their pension fund was of little importance in motivating them. To 6,5% of the respondents an increased state contribution to their pension fund was neither important nor unimportant. Whereas 53,3% of the respondents were of the opinion that an increased state contribution to

their pension fund was important, 38% indicated that receiving an increased contribution to their pension fund played an extremely important role in motivating them.

Interpretation of the findings of question 2.4

In Chapter 2 the impact of an increased contribution to a pension fund on staff motivation was discussed and according to Ledford and Lucy (2003) retirement plans, in comparison with other reward strategies, had the lowest value as a benefit to most employees in a random sample in the USA. It was only considered important by older employees who saw retirement quickly approaching. The deductions which may be made from the findings of the current study are that a convincing, combined 93,1% of employees were of the opinion that an increased state contribution to their pension fund would motivate them to perform over and above the norm which was expected from them. This finding may be interpreted as evidence that employees in South Africa value a comfortable retirement more than employees in the USA, or, alternatively, that employees in the USA have better retirement plans thus not seeing a need to supplement these.

Question 2.5

Receiving an increased housing allowance is important to me.

In Figure 5.7 the impact of an increased housing allowance on the motivation of employees is depicted.
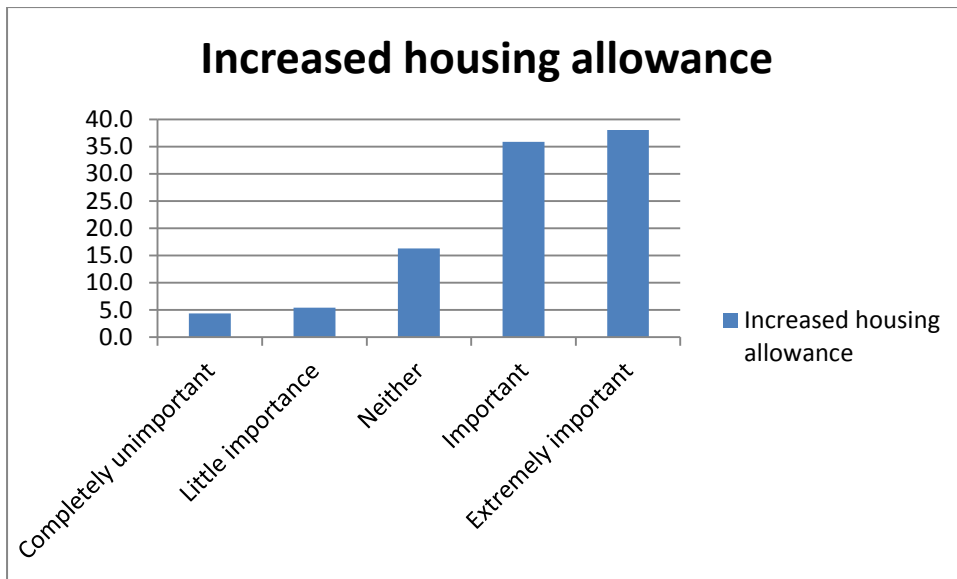
Figure 5.7: The importance of an increase in housing allowance for motivation of employees

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.5:

Whereas 4,3% of the respondents were of the opinion that an increased housing allowance was completely unimportant in motivating them, 5,4% of the respondents admitted that an increased housing allowance was of little importance in motivating them. In contrast to the 16,3% of the respondents that indicated that an increased housing allowance was neither important nor unimportant in motivating them, 35,9% were of the opinion that receiving an increased housing allowance was important, and 38% felt that receiving an increased housing allowance played an extremely important role in motivating them.

Interpretation of the findings of question 2.5

In Chapter 2 the impact of direct benefits on staff motivation has been discussed. Shields (2012) emphasizes that direct benefits or so-called 'employee benefits', are essential add-ons to basic salaries and include financial rewards such as employer-funded fringe benefits, for example housing allowances. The inferences that may be made from the above findings are that the majority of employees (73,9%) were of the

opinion that receiving an increased housing allowance motivated them to perform over and above the norm which was expected from them.

Question 2.6

Having flexible working hours is important to me.

Figure 5.8 reflects the results of the survey question having a bearing on flexible working hours.
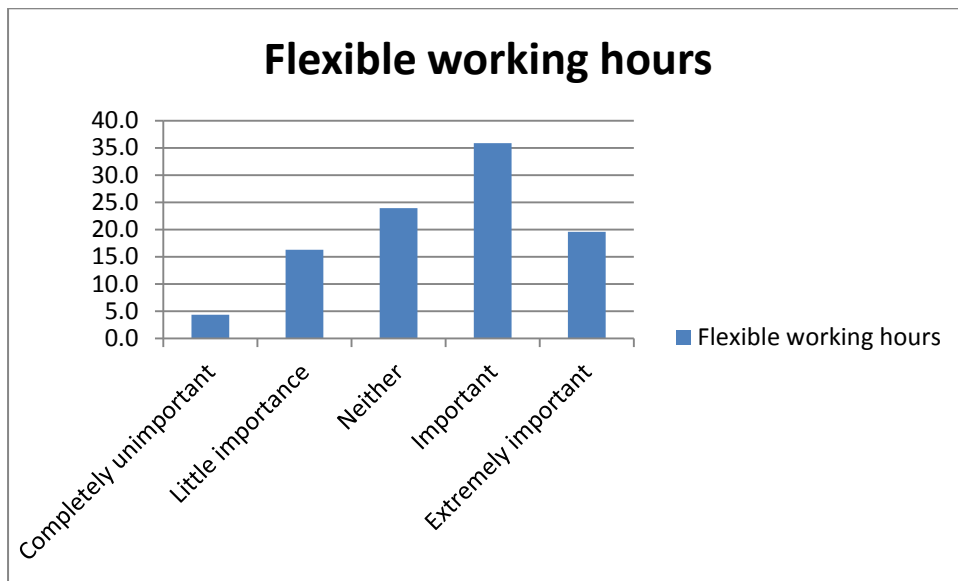
Figure 5.8:   The importance respondents attached to flexible working hours as a means of motivation

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.6:

Flexible working hours were regarded as completely unimportant to them as a means to increase their motivation by 4,3% of the respondents, and another 16,3% felt that working flexible working hours was of little importance in motivating them. This question evoked a neutral response from 23,9% of the respondents. Of the remainder 35,9%   respondents were of the opinion that working flexible working hours was important in motivating them, whereas only 19,6% felt that flexible working hours were extremely important in motivating them.

<u>Interpretation of the findings of question 2.6</u>

In Chapter 2 Roberts (2005) has been alluded to as maintaining that work/life benefits, which may take the form of flexible working hours, have the ability to influence motivation and consequently may result in increased job motivation, performance and productivity. From this it may be surmised that a combined total of 55,4% of the respondents experienced flexible working hours as important to them and having the potential to motivate them.

<u>Question 2.7</u>

Receiving continuous training and development is important to me.

In Figure 5.9 the results of the survey pertaining to continuous training and development are depicted.

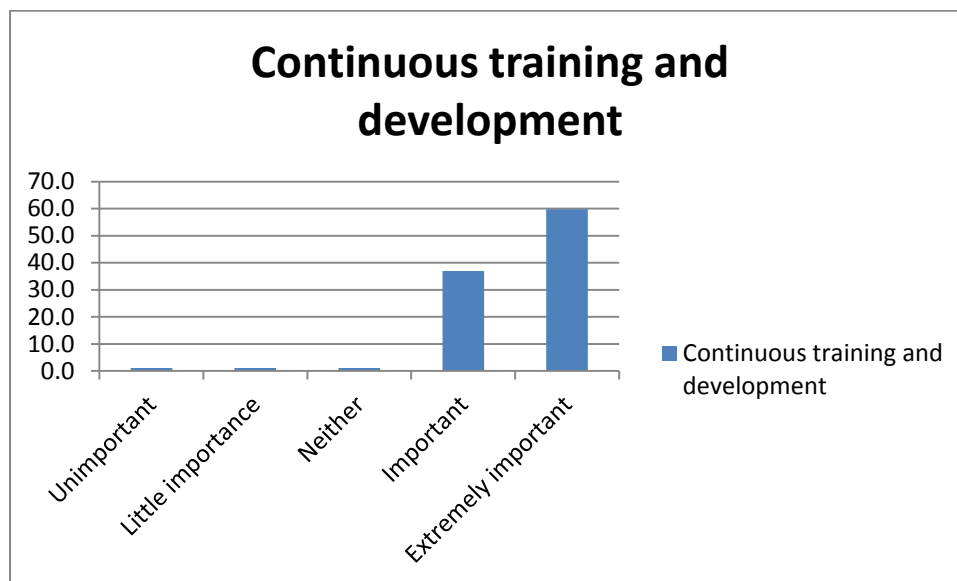**Figure 5.9: Response percentages pertaining to continuous training and development**

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

<u>Findings of question 2.7:</u>

A mere 1,1% of the respondents were of the opinion that receiving continuous training and development was completely unimportant in motivating them, while 1,1% of the respondents felt that receiving continuous training and development was

of little importance in motivating them. Receiving continuous training and development was seen to be neither important nor unimportant to another 1,1% of the respondents. The majority (59,8%) of the respondents felt that receiving continuous training and development was extremely important, and 37% indicated that receiving continuous training and development was important to motivate them.

Interpretation of the findings of question 2.7

As seen in Chapter 2, training and development play a very important motivation role in the workplace. Mullins (2007) confirms that continuous training and development is definitely a strong motivator for employees as it increases their opportunity of promotion based on the increase of their skills and job knowledge. This is seen to ultimately lead to an increase in their salary. The conclusion that may be drawn from the findings (see Figure 5.9) is that an overwhelming 96,7% of the employees were of the opinion that being offered continuous training and development motivates them to perform over and above what was expected from them. The long-term benefits which training and development opportunities hold, make it a very important motivational tool in the hands of the Department of Justice.

Question 2.8

Receiving a bursary to further my education is important to me.

In Figure 5.10 the findings of the responses to question 2.8 are summarised in a graph.
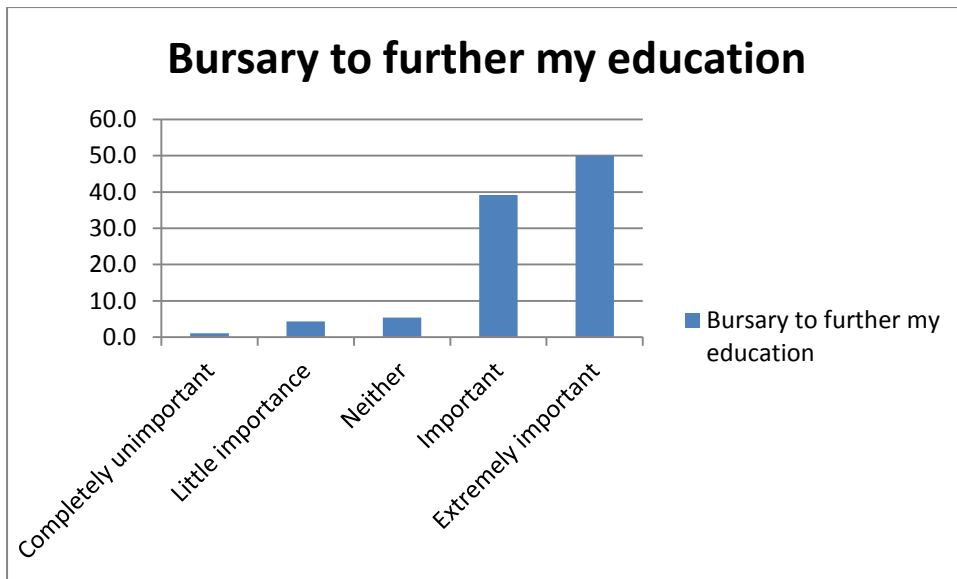
Figure 5.10: The importance of bursaries to further education

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.8:

Very few (1,1%) of the respondents were of the opinion that a bursary for furthering their education was completely unimportant as a factor to motivate them, and only 4,3% indicated that such a bursary would be of little importance in motivating them. A small percentage (5,4%) of the respondents claimed that a bursary to further their education was neither important nor unimportant in motivating them. On the positive side, 39,1% of the respondents were of the opinion that receiving a bursary to further their education was important, and 50% of the respondents declared that receiving a bursary to further their education was extremely important in motivating them.

Interpretation of the findings of question 2.8

In Chapter 2 the impact of awarding bursaries to employees was discussed and Shields (2012) was of the opinion that this form of developmental reward might be especially efficient in developing organisational commitment and the desire of an employee to remain with an organisation. The deductions which can be made from the above findings are that the majority of employees (89,1%) were of the opinion that receiving a bursary to further their education would motivate them to perform over and above the norm which was expected from them. The Department can use this reward strategy to its benefit by then retaining skilled employees after the

completion of their studies and re-deploying these employees where their skills can be utilised optimally.

Question 2.9

Receiving public recognition is important to me.

Figure 5.11 depicts the findings of the responses to question 2.9.

Public recognition
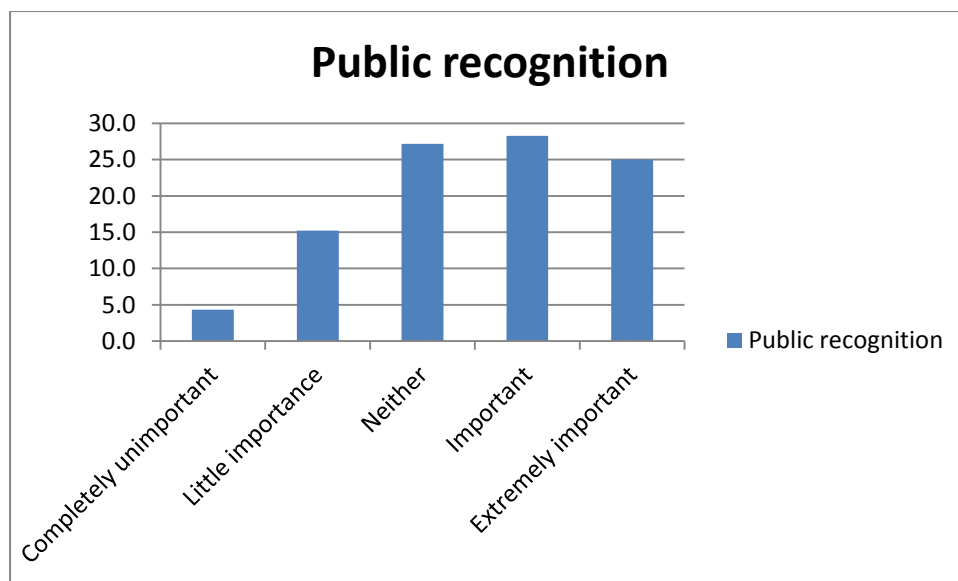
Figure 5.11: The impact of public recognition on the motivation of employees

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.9:

As can be seen in Figure 5.11, 4,3% of the respondents were of the opinion that receiving public recognition was completely unimportant in motivating them. Another 15,2% of the respondents felt that receiving public recognition held little importance in motivating them. Receiving public recognition was seen to be neither important nor unimportant to another 27,2% of the respondents. An almost similar percentage (28,3%) of the respondents were of the opinion that receiving public recognition was important, whereas 25% of the respondents felt that receiving public recognition played an extremely important role in motivating them.

Interpretation of the findings of question 2.9

As seen in Chapter 2, studies done by Cameron and Pierce (1997) showed that receiving praise led to greater task interest and motivation amongst employees and it is therefore clear that receiving recognition does impact on employee motivation. The deductions which can be made from the above findings are that a combined 53,3% of the employees were of the opinion that receiving public recognition and praise motivated them to perform over and above what was expected from them.

Question 2.10

Having my supervisor communicating more regularly with me is important to me.

In Figure 5.12 the impact of regular communication from supervisors is depicted as found in the responses of the participants in the study.
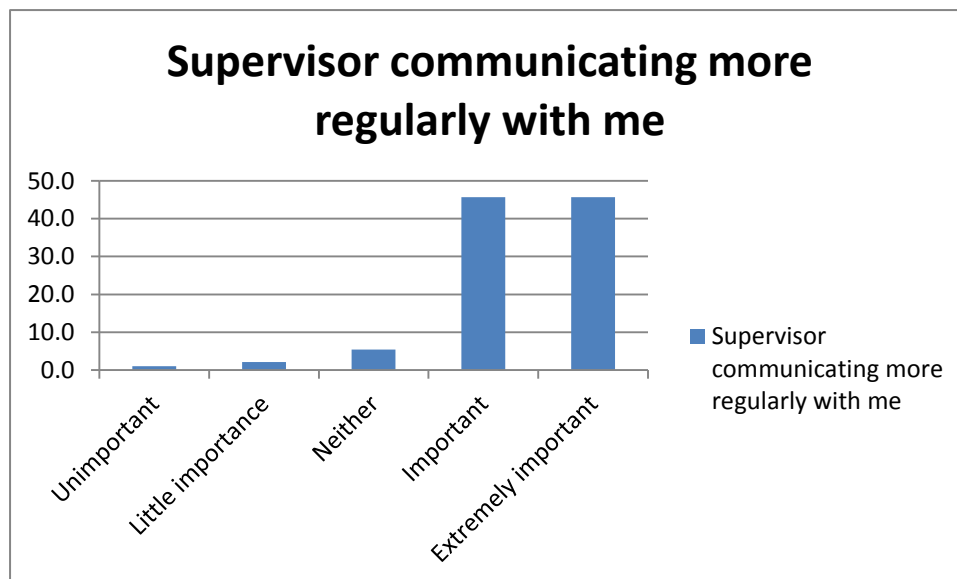

Figure 5.12: The impact of regular communication with supervisors on employees' motivation

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.10:

Of the respondents a mere 1,1% were of the opinion that communicating regularly with their supervisor was completely unimportant in motivating them, while 2,2% of the respondents felt that communicating regularly with their supervisors on a one-on-one basis was of little importance in motivating them. To another 5,4% of the respondents communicating regularly with their supervisors on a one-on-one basis was seen as neither important nor unimportant in motivating them. A large percentage, 45,7% of the respondents, were of the opinion that communicating regularly with their supervisors on a one-on-one basis was important, whereas another 45,7% of the respondents felt that communicating regularly with their supervisor on a one-on-one basis was extremely important in motivating them.

Interpretation of the findings of question 2.10

In Chapter 2 the impact of regular communication between employees and their supervisors were discussed and Robinson (1996) reported that when employee trust deteriorated as a result of a break-down in management communication with employees, employee satisfaction and commitment decreased, as did motivation and discretionary effort. The inferences which may be made from the findings in figure 5.12 are that the majority of employees, 91,3%, were of the opinion that regular communication with their supervisors on a one-on-one basis motivated them to perform over and above the norm which was expected from them. There clearly is a need for better communication in the Department and supervisors interacting more regularly with their employees may ensue in employees fully comprehending their role in the Department better and it will bring about a sense of belonging, develop a corporate identity and instil pride in the employees.

Question 2.11

Being promoted and advancing my career is important to me.

In Figure 5.13 the importance respondents attached to promotion and career advancement is given.
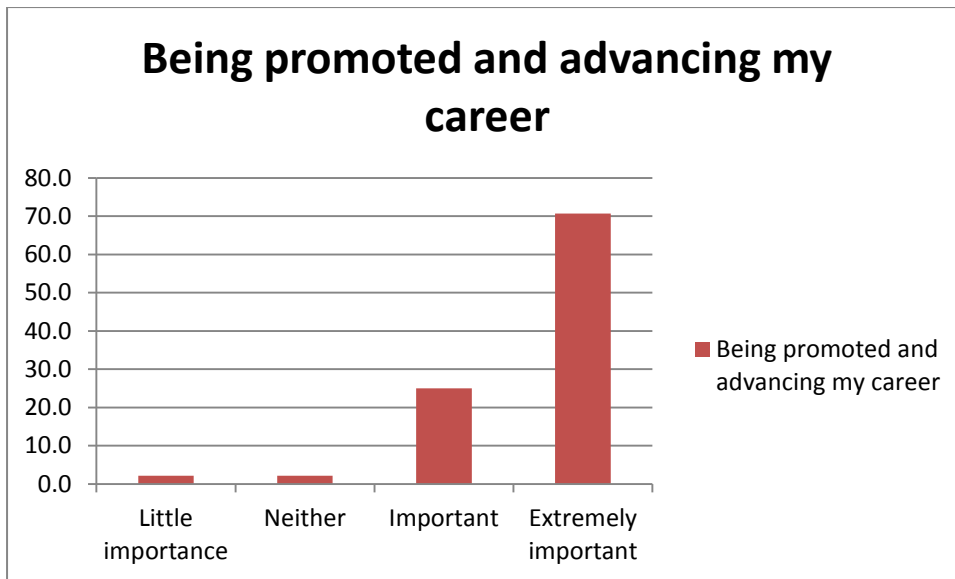
Being promoted and advancing my career

Figure 5.13: The importance of promotion and career advancement in motivating employees

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.11:

None of the employees were of the opinion that being promoted and advancing their career were completely unimportant in motivating them. Only 2,2% of the respondents were of the opinion that being promoted and advancing their careers was of little importance in motivating them, and another 2,2% of the respondents maintained that being promoted and advancing their careers were neither important nor unimportant in motivating them. To 25% of the respondents being promoted and advancing their careers were important, while a convincing 70,7% of the respondents were of the opinion that being promoted and advancing their career were extremely important in motivating them.

Interpretation of the findings of question 2.11

In Chapter 2 the impact of being promoted and advancing their careers on staff motivation was discussed and career development and progression could be regarded as one of the most important non-financial developmental reward strategies that an organisation can ascribe to (Shields 2012). When an employee feels that the organisation enables career development and progression, it creates strong positive emotions in the employee towards the organisation and reciprocity

essentially states that an employee will be motivated to perform well in an organisation when the organisation invests in developing and advancing the career of that employee. The deductions which may be made from the above findings of question 2.11 are that an overwhelming 95,7% of employees were of the opinion that being promoted and advancing their careers were important in motivating them to perform over and above the norm which was expected from them. It is therefore of the utmost importance that the Department ensures that career advancement possibilities are created in the Department for employees, or it will run the risk of losing these employees to other Departments or sectors where better career advancement opportunities exist.

Question 2.12

Working with new IT equipment and having new furniture are important to me.

In Figure 5.14 the importance respondents attached to working with new IT equipment and having new furniture is given.
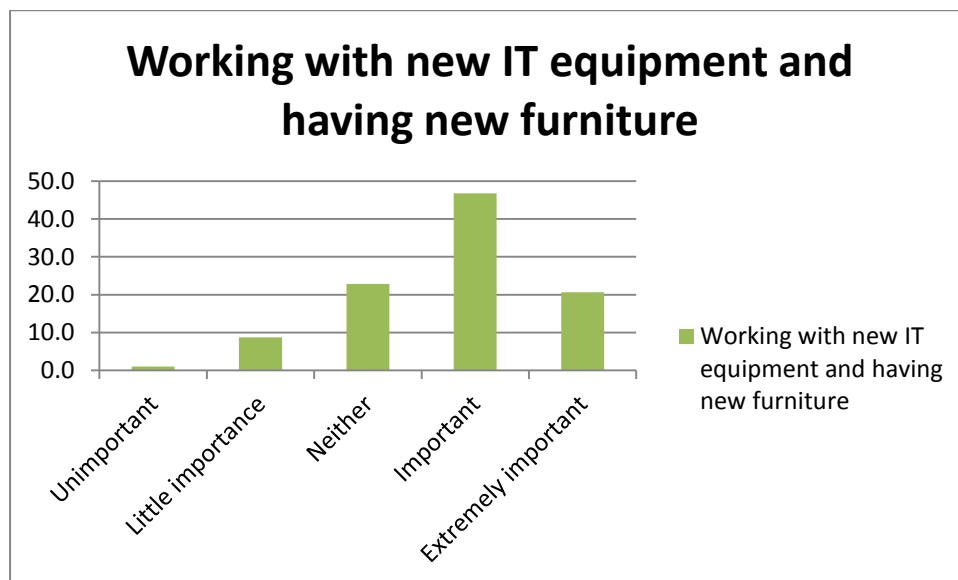

Figure 5.14: The extent to which respondents regarded working with new IT equipment and having new furniture as important

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.12:

Only 1,1% of the respondents were of the opinion that having new IT equipment and furniture was completely unimportant in motivating them, while 8,7% of the respondents felt that having new equipment and furniture was of little importance in this regard. Of the respondents 22,8% were neutral and felt that having new equipment and furniture was neither important nor unimportant in motivating them. On the other hand, 46,7% of the respondents were of the opinion that new equipment and furniture were important in motivating them, whereas only 20,7% felt that having having new equipment and furniture were extremely important in motivating them.

Interpretation of the findings of question 2.12

According to Ainsworth and Smith (1993) the work-environment impacts on employee motivation - in Chapter 2 their definition of the work-environment as the technical (physical) environment, the human environment and the organisational environment in which an employee operates have been discussed. A combined total of 67,4% of the respondents felt that having new equipment and furniture was important to them and had the potential to motivate them. Ainsworth and Smith (1993) describe the technical environment as the structuring of the physical work environment, including the office lay-out, office design, buildings, furniture, vehicles, tools, equipment, technology, noise levels, the room temperature and illumination levels, hygiene and cleanliness, and a safe and secure environment.

Question 2.13

Having secure under-cover parking facilities is important to me.

In Figure 5.15 the importance respondents attached to having secure under-parking facilities is given.
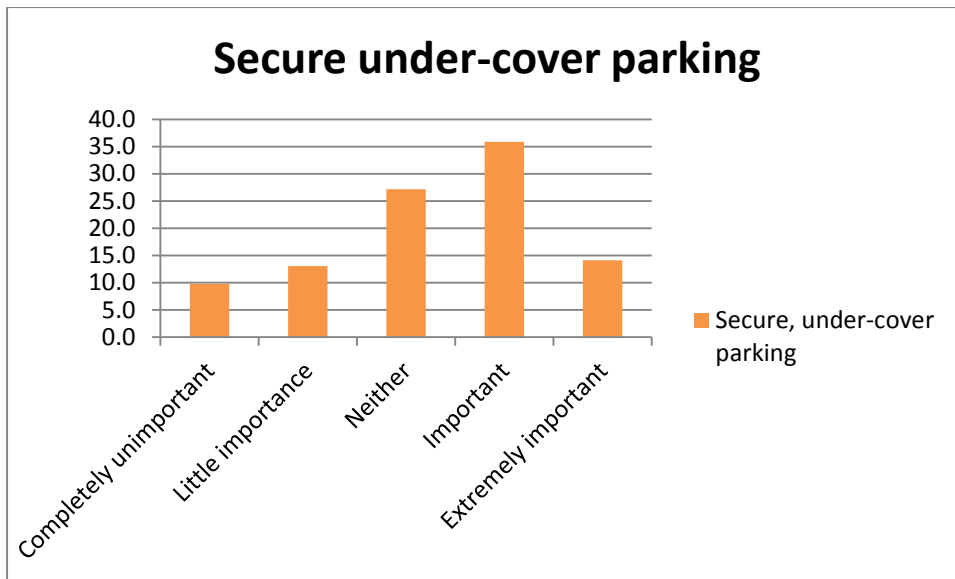
Figure 5.15: Importance of secure undercover parking as motivational factor

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.13:

As Figure 5.15 indicates, 9,8% of the respondents were of the opinion that having secure, under-cover parking facilities were completely unimportant in motivating them, while 13% of the respondents felt that secure, under-cover parking facilities were of little importance in motivating them. To 27,2% of the respondents secure, under-cover parking facilities were neither important nor unimportant as motivating factor. Another 35,9% of the respondents were of the opinion that secure, under-cover parking facilities were important in motivating them, whereas 14,1% of the respondents felt that having secure, under-cover parking facilities were extremely important in motivating them.

Interpretation of the findings of question 2.13

In Chapter 2 the impact of good working conditions is seen to be a strong motivational influence in terms of providing a physically safe and secure environment to employees, as well as the property of these employees as mental stress is reduced to the minimum (Shields 2012). The measure of stress and anxiety attributed to the perceived safety of the workplace environment may have a detrimental effect on an employee, even to the point of resigning. The inference which can be made from the findings of question 2.13 is that having secure under-

cover parking facilities were seen as being an important motivational reward by only 50% of the employees. This percentage is influenced by whether the employee owns a car or not and therefore might only be applicable to higher ranking officials who can afford having their own car.

Question 2.14

Working with friendly people is important to me.

Figure 5.16 depicts the responses of the participants regarding the motivational impact of working with friendly people.
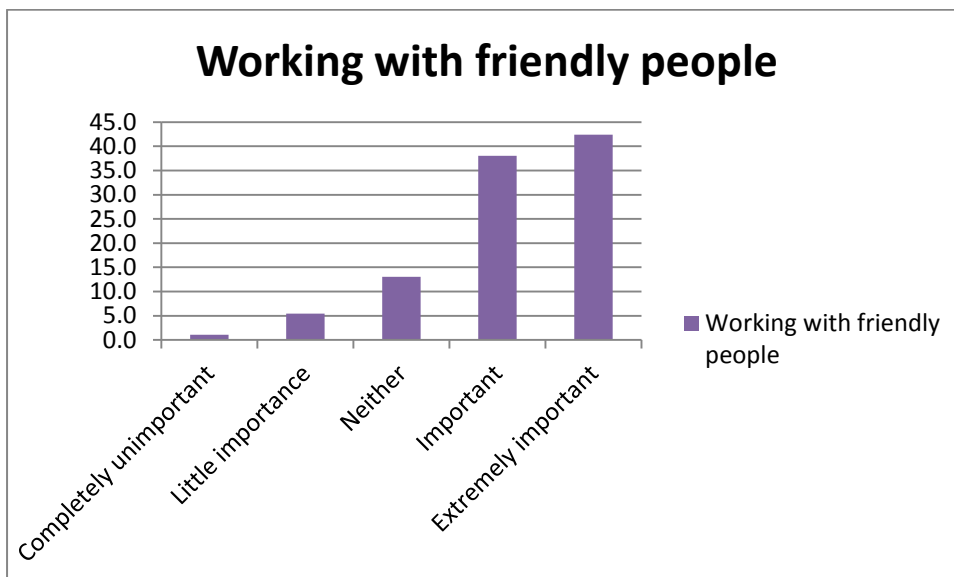
Figure 5.16: The importance of working with friendly people as motivational factor

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.14:

Only 1,1% of the employees were of the opinion that working with friendly people was completely unimportant in motivating them, while 5,4% of the respondents were of the opinion that working with friendly people was of little importance in motivating them. Another 13% of the respondents felt that working with friendly people was neither important nor unimportant in motivating them. To 38% of the respondents working with friendly people was important in motivating them and 42,2% of the

respondents were of the opinion that working with friendly people was extremely important in motivating them.

Interpretation of the findings of question 2.14

In Chapter 2 reference was made to a study by Adams (2007) to measure work motivation amongst employees in a government department in the Western Cape Provincial Government. The study suggested that employees were more motivated and more productive and that there were more improvements in service delivery to the public when there were good inter-personal relations between the employees. From the findings depicted in Figure 5.16 it may be surmised that 80,4% of the respondents were of the opinion that working with friendly people and having good interpersonal relations with other employees were important in motivating them to perform over and above the norm which was expected from them. In a workplace where there is a lot of conflict among employees, it leads to employees experiencing harmful stress and anxiety. This may have a detrimental effect on an employee even to the point of abusing sick-leave and resigning just to try and avoid hostile co-workers or supervisors.

Question 2.15

Having a supervisor who listens to my problems and treats me with respect is important to me.

In Figure 5.17 the responses to the above question are presented (as percentages).

Figure 5.17: The impact of a supervisor who listens to problems and treats employees with respect.
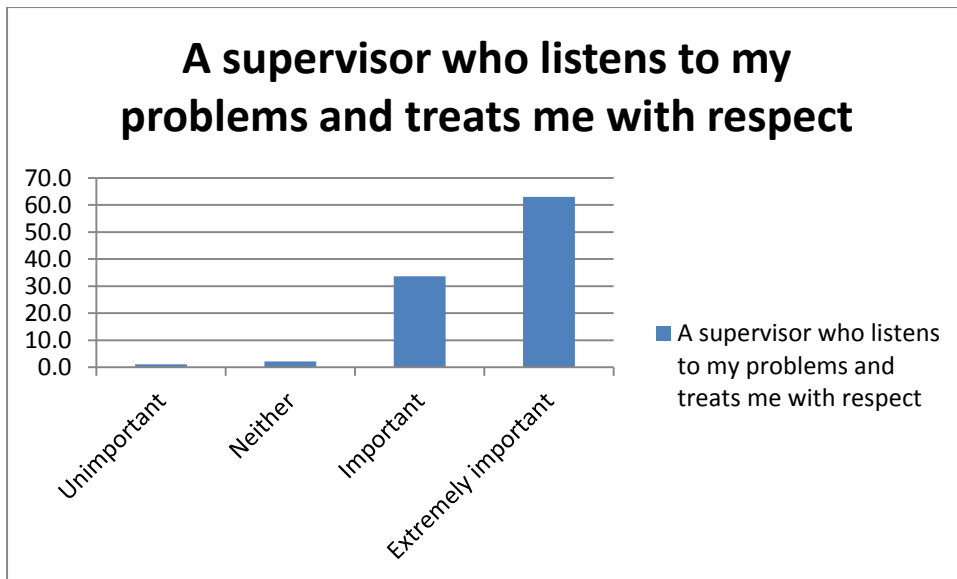
n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 2.15:

A mere 1,1% of the respondents were of the opinion that having a supervisor who listened to their problems and treated them with respect was completely unimportant in motivating them. None of the respondents indicated that having a supervisor who listened to their problems and treated them with respect was of little importance to them, and 2,2% of the respondents were of the opinion that having a supervisor who listened to their problems and treated them with respect was neither important nor unimportant in motivating them. However, 33,7% of the respondents were of the opinion that having a supervisor who listened to their problems and treated them with respect was important; a view supported by another 63% of the respondents who indicated that having a supervisor who listens to their problems and treats them with respect was extremely important in motivating them.

Interpretation of the findings of question 2.15

In Chapter 2 it was stated that managers should show interest in their employees as human beings - show empathy and listen to their opinions in order to effectively motivate them (Ainsworth & Smith, 1993). The deductions which can be made from the findings provided in Figure 5.17 are that the majority of employees, that is,

96,7%, were of the opinion that having a supervisor who listened to their problems and treated them with respect was important in motivating them to perform over and above the norm which was expected from them. Strong emotions like love and care form part of employees' need to feel important to an organisation and create a sense of belonging; if not, their feelings result in loneliness. Leadership was found to be a key element in the human environment that should inspire, motivate and create cohesion amongst employees. People may even resign when they feel that they are treated with disrespect by their supervisors, which may result in a drop in morale in that organisation or team (Ayers, 2005).

Item 3 of the questionnaire

In item 3 of the questionnaire it was decided to rank each facet of the total reward strategy against the performance bonus reward strategy. In the Department of Justice a perception exists that employees are only motivated by performance bonuses. This perception results in large amounts of money being paid out annually in the belief that money truly motivates employees to increase performance in the pursuit of attaining organisational goals. Using pay-for-performance is also a long-established management practice in Government Departments in South Africa, and it was therefore decided to measure the motivational impact of a cash performance bonus against all the other aspects of the total reward approach which Shields (2012) advocates.

Question 3.1

What motivates you more? (a) Receiving a performance bonus or (b) Receiving public recognition.

Figure 5.18 depicts the motivational importance respondents attached to receiving a performance bonus against the motivational importance of receiving public recognition.
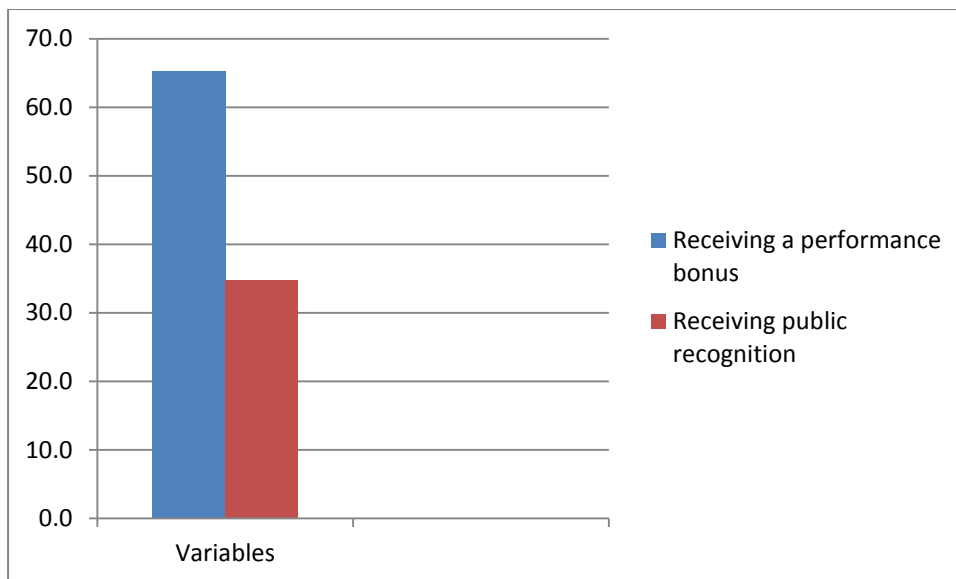
Figure 5.18: The motivational impact of a performance bonus *vs* public recognition

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.1:

As indicated in Figure 5.18, 65,2% of the respondents were of the opinion that they would rather be motivated by receiving a performance bonus than by receiving public recognition. The remainder (34,8%) of the respondents felt differently and were of the opinion that receiving public recognition would motivate them more than receiving a performance bonus.

Interpretation of the findings of question 3.1

In the literature review, it was related that Cameron and Pierce (1997) alleged that receiving praise led to greater task interest and motivation amongst employees. The deductions which can be made from the above findings (Figure 5.18) are that it is clear that receiving recognition does impact on employee motivation in the Department. More than a third (34,8%) of employees in fact would be more motivated to perform over and above what was expected of them if they could receive public recognition instead of a cash performance bonus.

Question 3.2

What motivates you more? (a) Receiving a performance bonus or (b) Having your supervisor communicating more regularly with you.

Figure 5.19 clearly indicates the preference of the participants in this regard.
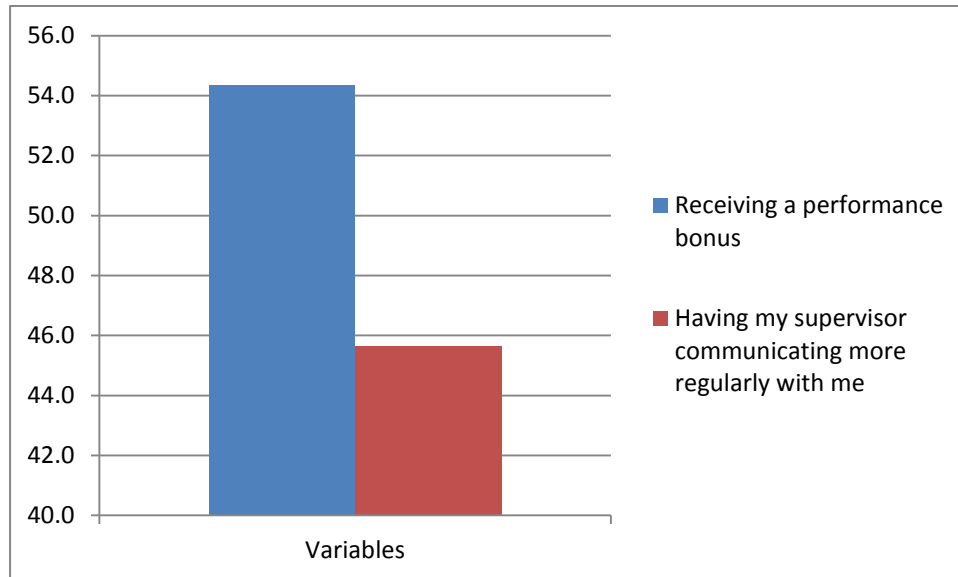
Figure 5.19: Results of a survey item posing a choice between performance bonuses and and communicating regularly with your supervisor

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.2:

Just more than half (54,3%) of the respondents were of the opinion that they would be more motivated by receiving a performance bonus than by having their supervisor communicating more regularly with them. That left 45,7% of respondents who differed and were of the opinion that having their supervisor communicating more regularly with them would motivate them more than receiving a performance bonus.

Interpretation of the findings of question 3.2

In the Literature review it was seen that in a study done by Nohria *et al.* (2008) who investigated the drives that motivated workers, it was found that the drive to comprehend was an important motivational factor to employees. Employees need to be able to make sense and understand the meaning of the organisation's vision and mission. They must understand their purpose in the bigger scheme of things and

need to be challenged on a regular basis to attain higher levels of work output. Employees need to understand the organisational goals and objectives to enable them to contribute positively to the organisation. Communication between managers and employees must be effective in order for employees to fully comprehend their role in the organisation. The inferences which can be made from the above findings are that it is clear that regular and effective communication between supervisors and employees does impact on employee motivation in the Department; 45,7% of employees are in fact more motivated to perform over and above what is expected of them when their supervisors communicate more regularly with them instead of giving them a cash performance bonus. However, it cannot be ignored that the (albeit small) majority still prefers a cash bonus.

Question 3.3

What motivates you more? (a) Receiving a performance bonus or (b) Working with new IT equipment and having new furniture.

Figure 5.20 depicts the motivational importance respondents attached to receiving a performance bonus against the motivational importance of working with new IT equipment and having new furniture.
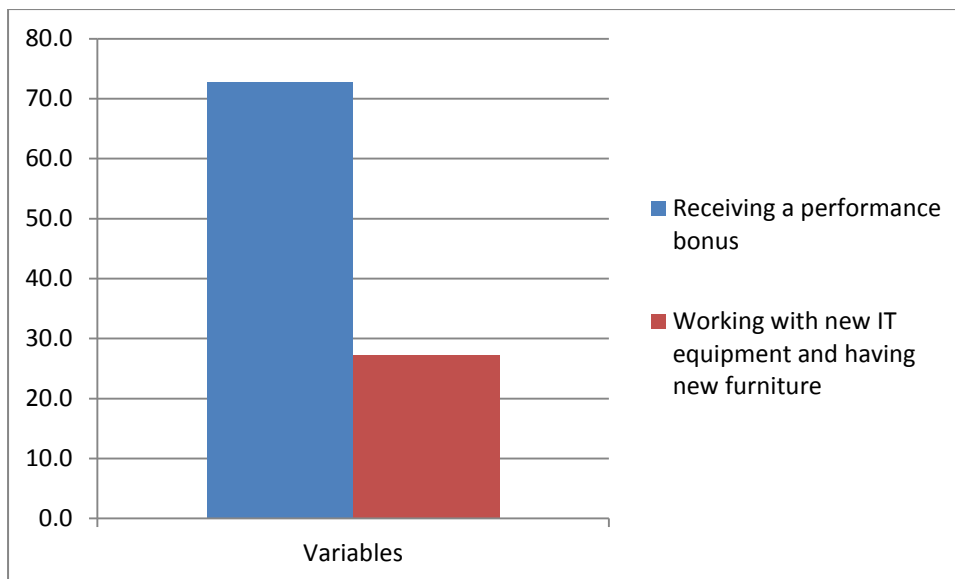
Figure 5.20: Responses comparing the impact on motivation of a performance bonus and new IT technology and furniture

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.3:

Figure 5.20 indicates that 72,8% of the respondents were of the opinion that they would rather be motivated by receiving a performance bonus than working with new IT equipment and having new furniture while only 27,2% disagreed and indicated that working with new IT equipment and having new furniture would motivate them more than receiving a performance bonus.

Interpretation of the findings of question 3.3

It was seen in the literature review that, according to Ayers (2005), the work environment must ultimately motivate employees to go to extreme lengths to fulfil their responsibilities towards the organisation. The deductions which can be made from the above findings are that it is clear that the physical work environment does impact on employee motivation in the Department - 27,2% of employees in fact indicated that they would be more motivated to perform better in a more motivational environment, that is, work with the latest IT technology and have new furniture. This can be contributed to the fact that officials are working with old IT equipment and

furniture which have been repaired over the years. Officials simply inherit old furniture and computers from their predecessors.

Question 3.4

What motivates you more? (a) Receiving a performance bonus, or (b) Having free secure, under-cover parking facilities.

Figure 5.21 presents the findings of the responses to a question asking respondents about the motivational influence of performance bonuses and free, secure, under-cover parking.
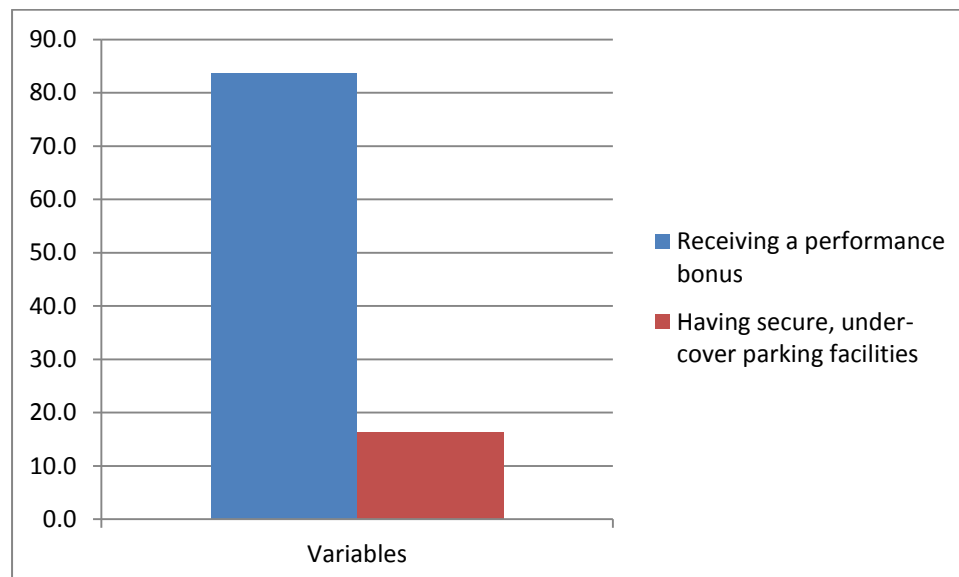
Figure 5.21: Comparison of responses regarding the motivational impact of performance bonuses, and free, secure, under-cover parking

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.4:

The Figure indicates that 83,7% of the respondents maintained that they would rather be motivated by receiving a performance bonus than by having secure, under-cover parking facilities. This means that only 16,3% of respondents would prefer secure, under-cover parking facilities rather than receiving a performance bonus.

Interpretation of the findings of question 3.4

It was seen in Chapter 2 that good working conditions are regarded as having a strong motivational influence. Providing a physically safe and secure environment to employees was found to reduce mental stress to the minimum (Shields 2012). The inferences that can be made from the above findings (Figure 5.21) are that having free, secure, under-cover parking does impact on employee motivation in the Department, although with a much smaller percentage than receiving performance bonuses. This may be attributed to the fact that the Northern Cape is regarded as a relatively safe province where crime is much lower than, for example, in Gauteng, or that the majority of the respondents do not own their own cars and make use of public transport.

Question 3.5

What motivates you more? (a) Receiving a performance bonus or (b) Having a supervisor who listens to your problems and treats you with respect.

Figure 5.22 depicts the motivational importance respondents attached to receiving a performance bonus against the motivational importance of having a supervisor who listens to their problems and treats them with respect.
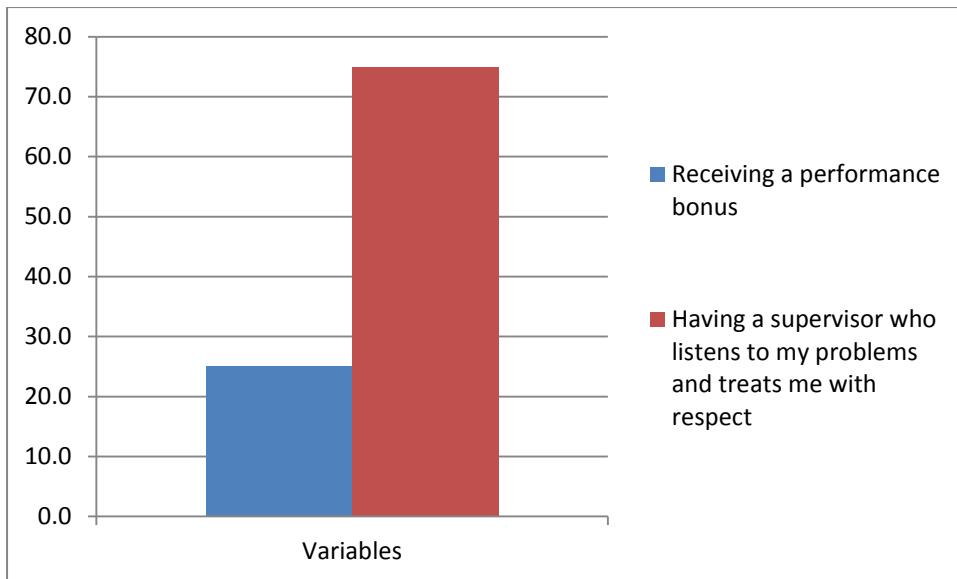
Figure 5.22: Responses in percentages to the question asking respondents to choose between performance bonuses or a supervisor who listens to problems and treats employees with respect as motivator

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.5:

The findings depicted in Figure 5.22 indicate that only 25% of the respondents were of the opinion that they would be motivated more by receiving a performance bonus than by a supervisor who listens to their problems and treats them with respect. An overwhelming 75% of respondents felt the opposite, namely that a supervisor who listened to their problems and treated them with respect would motivate them more than receiving a performance bonus.

Interpretation of the findings of question 3.5:

Shields (2012; see Chapter 2) purports that employee confidence is impacted by the consistency and truthfulness of management communication. When employees feel that they cannot trust the communication from management, they will not feel secure in the organisation. The presence of mixed messages and a lack of trust will impact negatively on motivation (Shields, 2012). The deductions which can be made from the above findings (Figure 5.22) are that it is clear that having a supervisor who listens to their problems and treats them with respect impacts positively on employee

motivation in the Department. For the first time the majority of the respondents (75%) maintained that in this case they preferred the other option (a supervisor who listens to their problems and treats them with respect) above a cash performance bonus.

<u>Question 3.6</u>

What motivates you more?(a) Receiving a performance bonus or (b) Being promoted and advancing your career.

Figure 5.23 depicts the motivational importance respondents attached to receiving a performance bonus against the motivational importance of being promoted and advancing one's career.
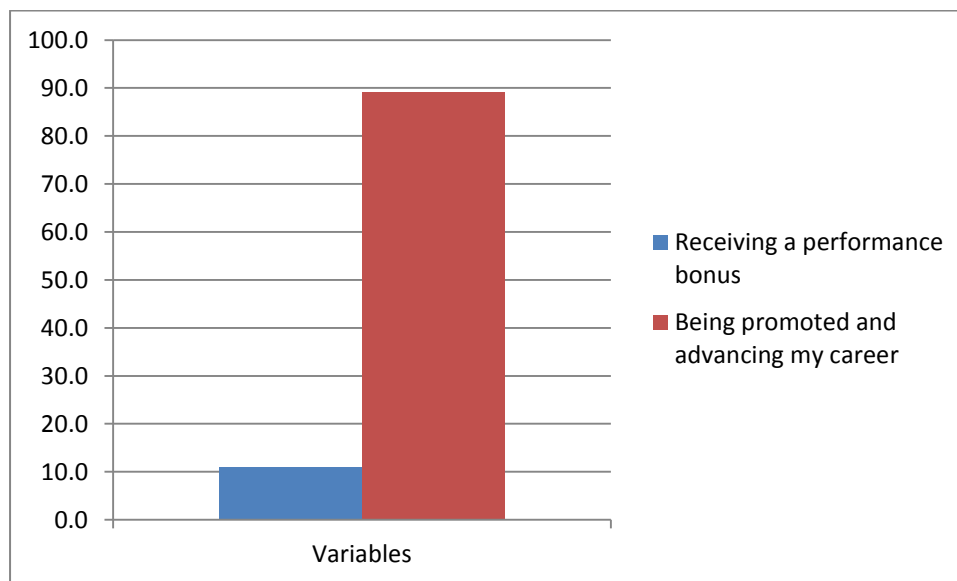
Figure 5.23: Responses regarding the motivational impact of a performance bonus *versus* that of promotion and career advancement

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

<u>Findings of question 3.6:</u>

As indicated by the responses depicted in Figure 5.23, only 10,9% of the respondents were of the opinion that they would rather be motivated by receiving a performance bonus than by having the opportunity to be promoted and advancing

their careers. An overwhelming 89,1% of respondents were of the opinion that having the opportunity to be promoted and advancing their careers would motivate them more than receiving a performance bonus.

Interpretation of the findings of question 3.6

Career development and progression is regarded as one of the most important non-financial developmental reward strategies that an organisation can ascribe to, according to Shields (2012) as discussed in Chapter 2. The inferences that may be made from the findings provided in Figure 5.23 and in the previous paragraph, are that employees in the Department view career development and the possibility of career progression as more important in motivating them to perform better than a financial reward. A staggering 89,1% of employees professed they would be more motivated to perform over and above what is expected of them, if they were afforded the opportunity to advance their careers in the Department.

Question 3.7

What motivates you more? (a) Receiving a performance bonus or (b) Having flexible working hours.

In Figure 5.24 the difference in opinion regarding a performance bonus and flexible working hours as motivational factors is depicted.
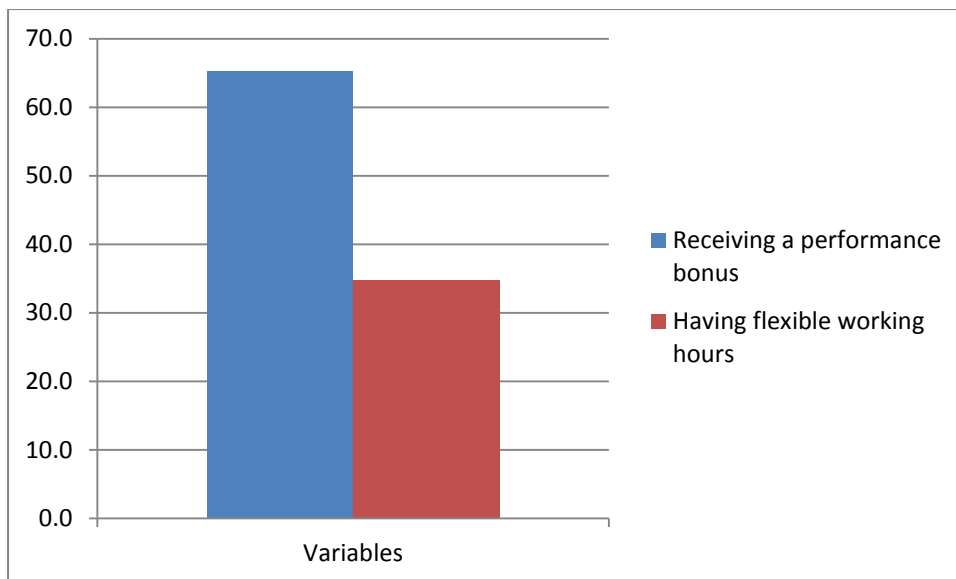
Figure 5.24: Responses of participants about a performance bonus or flexible working hours as motivational factors

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.7:

As indicated in Figure 5.24, 65,2% of the respondents were of the opinion that they would be more motivated by receiving a performance bonus than by having more flexible hours of work. The remainder, 34,8% of the respondents, did not share this opinion and indicated that more flexible working hours would motivate them more than receiving a performance bonus.

Interpretation of the findings of question 3.7:

In the literature review Roberts's (2005) claim that work/life benefits could definitely influence motivation and consequently may end in increased job motivation, performance and productivity, has been discussed. These different work/life benefit strategies which organisations may include in their company policies can take the form of flexible working hours, employee assistance programmes and childcare facilities, and all of these benefits then form part of the direct benefits of employees (Adams 2007). The deductions which may be made from the findings (Figure 5.24; Question 3.7) are that it is clear that more flexible working hours do impact on the employee motivation in the Department. As many as 34,8% of employees, in fact,

would be more motivated to perform over and above what is expected of them if they could have more flexible working hours instead of a cash performance bonus.

Question 3.8

What motivates you more? (a) Receiving a performance bonus or (b) Receiving an increased housing allowance.

Figure 5.25 depicts the motivational importance respondents attached to receiving a performance bonus against the motivational importance of receiving an increased housing allowance.

Figure 5.25: The motivational impact of receiving a performance bonus *versus* that of an increased housing allowance

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.8:

As depicted in Figure 5.25, 35,9% of the respondents were of the opinion that they would rather be more motivated by receiving a performance bonus than by an increased housing allowance. The majority (64,1%) of the respondents were of the opinion that receiving an increased housing allowance would motivate them more than receiving a performance bonus.

Interpretation of the findings of question 3.8:

In a study by Wood and de Menezes (2011) it was found that paying competitive salaries and direct benefits, of which a housing allowance forms part, were positively linked to both measures of well-being, namely job satisfaction and motivation, and contentment. From the findings (question 3.8) it may be concluded that an increased housing allowance would definitely impact on employee motivation in the Department. A convincing majority of 64,1% of employees indicated that they would be more motivated to perform over and above what was expected of them if they could receive an increased monthly housing allowance, rather than a cash performance bonus. The current housing allowance paid to employees is R900 per month.

Question 3.9

What motivates you more? (a) Receiving a performance bonus or (b) Receiving an increased state contribution to your pension fund.

Figure 5.26 depicts the motivational importance respondents attached to receiving a performance bonus against the motivational importance of receiving an increased state contribution to their pension fund.
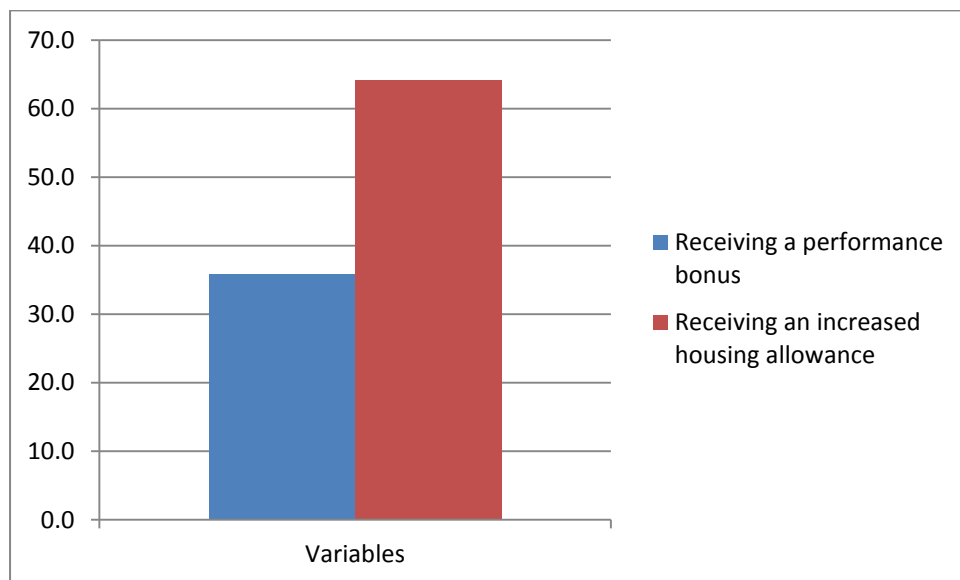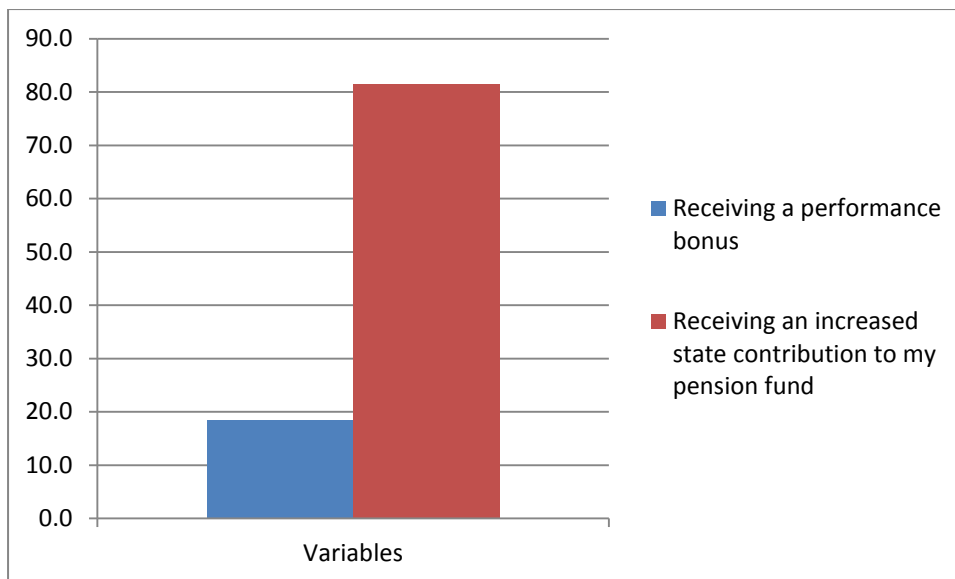
Figure 5.26: The motivational effect of a performance bonus and that of an increased state contribution to the respondent's pension fund

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.9:

Only 18,5% of the respondents (as depicted in Figure 5.26) were of the opinion that they would rather be motivated by receiving a performance bonus than by receiving an increased state contribution to their pension fund. An overwhelming majority of 81,5% of respondents thus indicated that receiving an increased state contribution to their pension fund would motivate them more than receiving a performance bonus.

Interpretation of the findings of question 3.9

As discussed in Chapter 2 a study by Ledford and Lucy (2003) found that retirement plans in contrast to other direct benefits had the lowest motivational value to most employees in a random sample. It was only considered important by older employees who saw retirement quickly approaching. The deductions which can be made from the findings in the study reported here (see Figure 5.26) are that it is clear that receiving an increased state contribution to their pension fund would impact positively on employee motivation in the Department. In contrast to the study done by Ledford and Lucy (2003) in the USA, an overwhelming majority of 81,5% of employees indicated that they would be more motivated to perform over and above what was expected of them if they were to receive an increased state contribution to

their pension fund, rather than receiving a cash performance bonus. This perhaps might be attributed to American institutions having better retirement plans for their employees in comparison to South African institutions.

Question 3.10

What motivates you more? (a) Receiving a performance bonus or (b) to have more paid annual leave days.

Figure 5.27 is a bar chart representing the percentages of responses received on question 3.10.
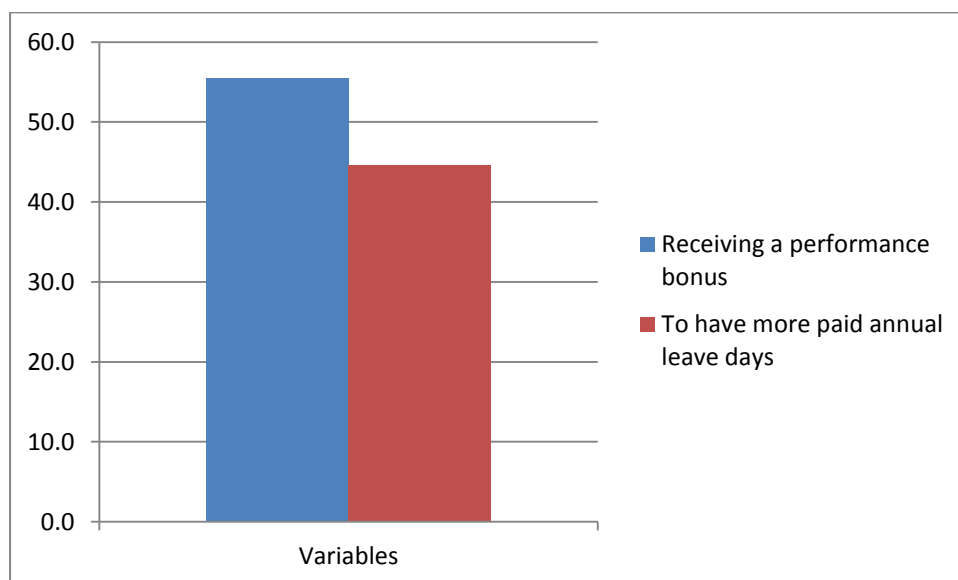
Graph 26: X-axis: Forced ranking
                Y-axis: Response Percentage

Figure 5.27: Responses with regard to the motivational impact of paid annual leave *versus* a performance bonus

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.10:

As shown in Figure 5.27, a total of 55,4% of the respondents expressed the opinion that they would be more motivated by receiving a performance bonus than by having more paid annual leave days. The remaining 44,6% were of the opinion that

having more paid annual leave days would motivate them more than receiving a performance bonus.

Interpretation of the findings of question 3.10:

According to Berger and Berger (2011), paid leave is among the most highly valued rewards by employees in the United States, as discussed in the literature review. Ledford and Lucy (2003) found that 50% of a random sample of the workforce in the United States would leave their current position for another employer if they were offered an additional two weeks of paid vacation leave per year. The inferences which can be made from the findings provided in Figure 5.27 and the previous paragraph are that it is clear that having more paid annual leave days would also impact on employee motivation in the Department - 44,6% of the respondents in fact would be more motivated to perform over and above what was expected of them if they could have more paid annual leave days instead of a cash performance bonus.

Question 3.11

What motivates you more? (a) Receiving a performance bonus or (b) Receiving a bursary to further your education?

Figure 5.28 presents a graph of the responses to question 3.11.
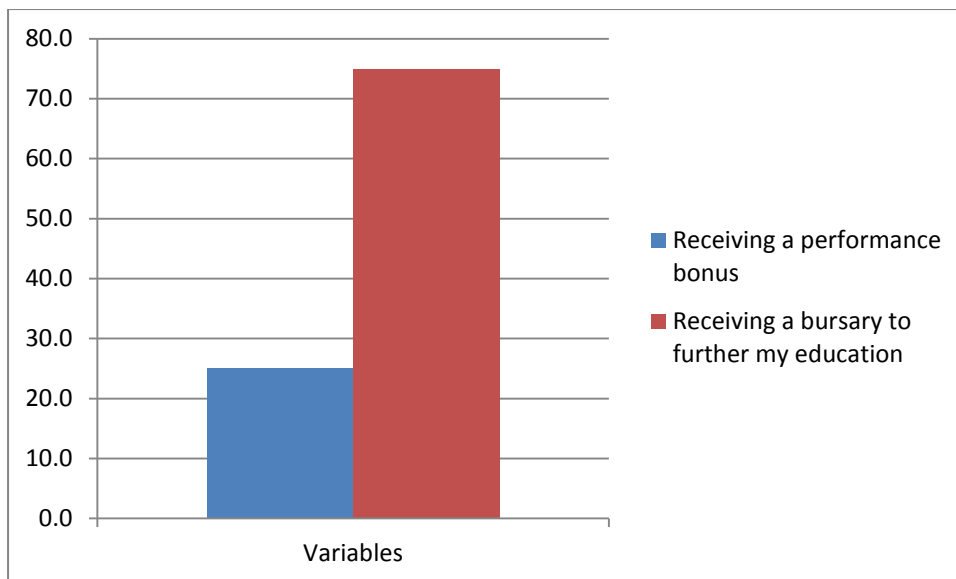
Figure 5.28: **Percentage of respondents indicating their preference of a performance bonus or receiving a bursary in motivating them**

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.11:

From the graph (Figure 5.28) it is clear that 25% of the respondents were of the opinion that they would be motivated more by receiving a performance bonus than by receiving a bursary to further their education, while 75% indicated that receiving a bursary to further their education would motivate them more.

Interpretation of the findings of question 3.11:

It was discussed in the literature review (Chapter 2) that training can be regarded as a form of developmental motivational reward (Shields 2012). Training includes personal learning, skills training, coaching, and mentoring, as well as organisational learning, through providing bursaries to employees to further their studies. The deductions which can be made from the findings of question 3.11 (Figure 5.28) are that it is clear that receiving a bursary to further their education does impact on employee motivation in the Department. A convincing majority of 75% of employees, in fact, would be more motivated to perform over and above what was expected of them if they were to receive a bursary to further their education instead of a cash performance bonus.

Question 3.12

What motivates you more? (a) Receiving a performance bonus or (b) Receiving continuous training and development.

Figure 5.29 represents the responses to question 3.12, namely a choice between a performance bonus or continuous training and development as incentive to motivate them.
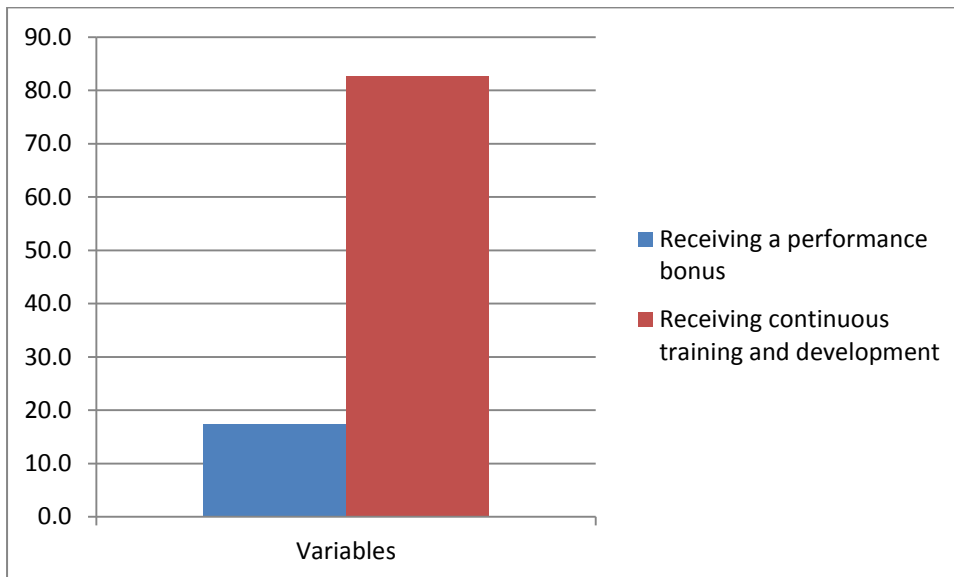
Figure 5.29: Percentage of respondents indicating their motivational preference between a performance bonus or training and development

 n = 92

X-axis: Likert scale

Y-axis: Response Percentage

Findings of question 3.12:

A mere 17,4% of the respondents were of the opinion that they would be motivated more by receiving a performance bonus than by receiving on-going training and development in the Department. This leaves us with 82,6% who indicated that receiving on-going training and development in the Department would motivate them more than receiving a performance bonus.

Interpretation of the findings of question 3.12:

In Chapter 2, Shields's (2012) opinion was discussed that training as a form of motivational reward might be particularly efficient in developing organisational

commitment and the desire of an employee to remain with an organisation. Mullins (2007) also surmises that continuous training and development is a strong motivator for employees, as it has the benefit of increasing the possibility of promotion, receiving recognition, and a subsequent increase in salary. The inferences which may be made from these findings (responses to question 3.12) are that it is clear that on-going training and development in the Department impacts on employee motivation in the Department; 82,6% of employees, in fact, are more motivated to perform over and above what is expected of them when they receive on-going training and development in the Department instead of a cash performance bonus.

<u>Questions 3.13</u>

Rank the following items in terms of what is more important to you to motivate you, with number 1 being the most important and number 3 being the least important: receiving a performance bonus; or receiving a notch increment; or receiving better employee benefits.

In Figure 5.30 the ranking percentage of the items in question 3.13 is given.
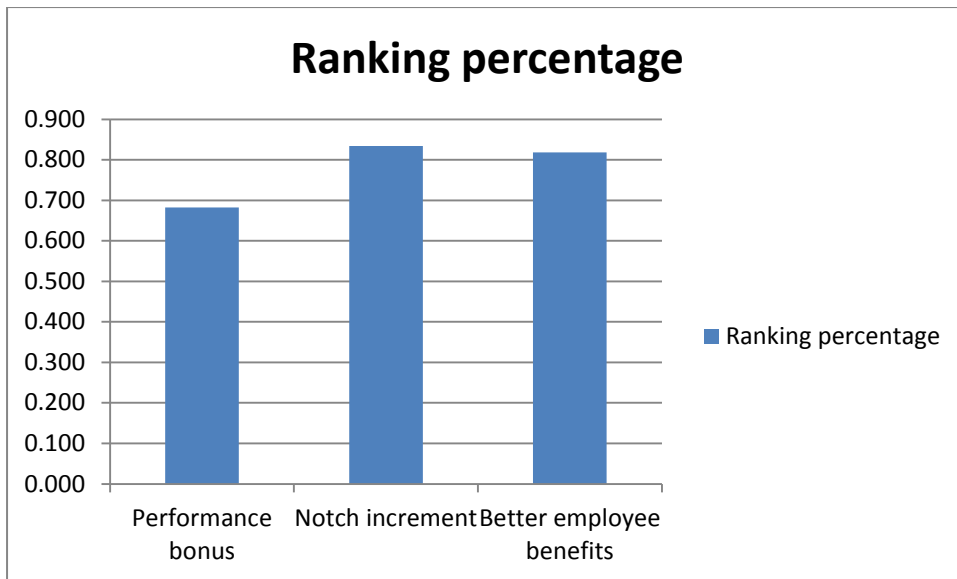
Figure 5.30: Responses with regard to ranking the motivational impact of three variables namely receiving a performance bonus; or receiving a notch increment; or receiving better employee benefits

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.13:

Most important: Receiving a notch increment.

Second most important: Receiving better employee benefits.

Least important: Receiving a performance bonus.

Interpretation of the findings of question 3.13:

The deduction which can be made from the above findings is that the current reward strategy of the Department of Justice, namely awarding performance bonuses and notch increments to deserving employees, is not in line with what really would motivate the employees of the Department. It is clear that employees would be more motivated by receiving better employee benefits than by receiving performance bonuses. Although notch increments were indicated as the most important motivational reward strategy, one of the problems with notch increments, as seen in

the literature review, is that the traditional merit or notch increment in the public sector often is so incremental that it does not have a significantly positive impact on the motivation of employees (*cf.* Budman, 1997). Mitra*et al.* (1997) suggested that the minimum increment to the fixed or base pay to be large enough to be motivational is six to seven per cent of an employee's basic salary. Any amount less than that is not regarded as truly motivational in nature. The difference between a notch and the next higher notch is a mere 1,5% increase across all government departments, as determined by the DPSA (Department of Public Service and Administration). For outstanding performance an employee is awarded a maximum of two (2) notches. An adjustment of two notches payable to increase the fixed base pay of the employee will in effect only constitute a 3% increase in the basic salary of the employee. Should the employee be at the top notch of his/her existing rank, the reward will be forfeited.

Question 3.14

Rank the following items in terms of what is more important to you to motivate you, with number 1 being the most important and number 5 being the least important: Receiving training and development opportunities of my choice; or receiving public recognition and praise from my supervisor; or having regular one-on-one meetings with my supervisor; or having the opportunity to be promoted; or having a friendly work environment with new amenities and advanced technology.

In Figure 5.31 the findings of the responses to question 3.14 are depicted in percentages.

Figure 5.31: Responses with regard to ranking the motivational impact of the five variables as stated in question 3.14

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.14

Most important: Having the opportunity to be promoted (91,03%).

Second most important: Continuous training and development (88,32%).

Third most important: Having regular communication with my supervisor (83,15%).

Fourth most important: Having a friendly work-environment with new amenities and advanced technology (78,80%).

Least important: Public recognition and praise (63,59%).

Interpretation of the findings of question 3.14:

The deductions which can be made from the above findings are that employees view career advancement as the most important motivational reward. As seen in Chapter 2, career development is an on-going series of activities and a lifelong process of developing one's career (Shields, 2012). The focus of career development should be to manage career progression within the organisation. It involves developing new

skills, moving to higher job responsibilities, and the possibility of making a career change within the same organisation. The practice currently in place in the Department for career development and progression entails personal development plans drawn up annually for each employee. The problem experienced with the current format of personal development plans in the Department is that the focus is on the current position of the employee in the Department, and that it is not focused on preparing the employee to advance to a higher position. The questions to be answered when completing the personal development plan (reference?) are the following:

- What are the competencies required for your current job? (Refer to competency profile of job description). For example: Knowledge (Legislation, Codes, etc.) and Skills (Computer, Interpersonal Skills, Report Writing, Presentation, etc.)
- What competencies from the above list do you already possess?
- What then are the competency gaps?

Advancement to a higher position is also dependent on the employment equity figures of the job level being applied for and this results in options for advancement being limited. Senior positions in the Department, especially in the Northern Cape, are few, and the employees currently in senior management positions have been there for quite a number of years and the possibility exists that they will hold these senior management positions until their retirement. This leaves limited room for the progression of lower ranking employees and may lead to skilled employees leaving the Department to pursue more lucrative positions elsewhere.

Question 3.15

Rank the following items in terms of what is more important to you to motivate you, with number 1 being the most important and number 8 being the least important: Receiving a performance bonus; or receiving a notch increment; or receiving better employee benefits; or receiving training and development opportunities of my choice; or receiving public recognition and praise from my supervisor; or having regular one-

on-one meetings with my supervisor; or having the opportunity to be promoted; or

having a friendly work-environment with new amenities and advanced technology.

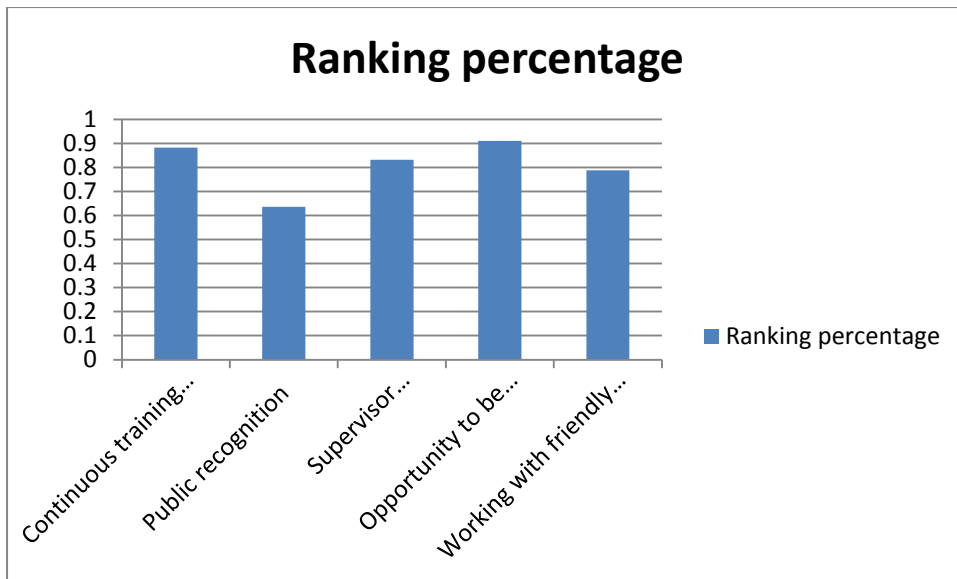Figure 5.32 represents the responses to items in question 3.15 in percentages
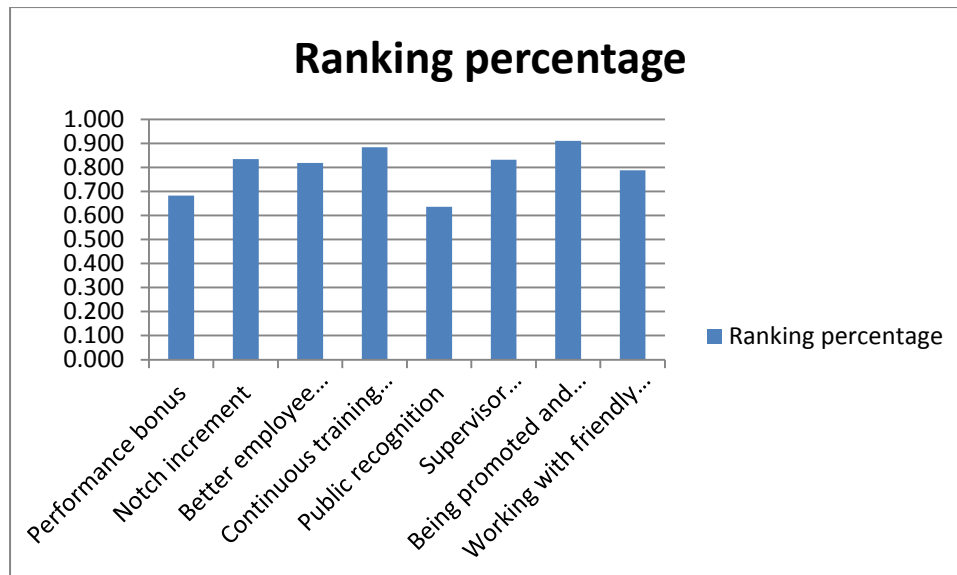
Figure 5.32: Responses with regard to ranking the motivational impact of all the variables as stated in question 3.15

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

Findings of question 3.15

Most important: Being promoted and advancing my career (91,03%).

Second most important: Continuous training and development (88,32%).

Third most important: Notch increment (83,42%).

Fourth most important: Supervisor communicating more regularly with me (83,15%).

Fifth most important: Better employee benefits (81,79%).

Sixth most important: Friendly work environment and new amenities (78,80%).

Seventh most important: Performance bonus (68,21%).

Least most important: Public recognition (63,59%).

Interpretation of the findings of question 3.12:

The reward strategy ascribed to by the Department of Justice, as contained in the Performance Management Policy of the Department of 2014 (Department of Justice, 2014), consists of financial rewards in the form of performance bonuses and notch increments to the basic salary of deserving officials. The deductions which can be made from the above findings are the following:

- The motivational reward strategy of awarding performance bonuses is seen to been not important at all in motivating the employees of the Department of Justice in the Northern Cape; in fact, it was ranked in the 7th place (%) out of a possible eight (8) motivational strategies.
- The motivational strategy of awarding notch increments to deserving employees were ranked 3rd out of a possible eight (8) motivational strategies in terms of importance to employees in truly having motivational capabilities.

5.5   SUMMARY

In this chapter the findings of the research were discussed in relation to the theory presented in the literature review provided in Chapter 2. Significant trends and relationships between the data and the literature were highlighted and any deviations from the literature were interpreted. This report in the first place reported on findings pertaining to item 2 of the questionnaire which contained fifteen (15) Likert scale questions. These questions were aimed at determining how important various rewards, as contained in the total reward approach advocated by Shields (2012), were in motivating the respondents. The report then focused on the responses received in terms of item 3 of the questionnaire, which comprised fifteen (15) forced-ranking type questions. These questions were posed in an attempt to be able to clearly distinguish which reward strategies carried the most motivational weight for the respondents. The findings obtained from the data were very insightful and allowed the researcher to make a number of relevant deductions from the responses received from the respondents.

5.6   CONCLUSION

The findings of the data obtained in the research are graphically illustrated in Figure 5.33 below:
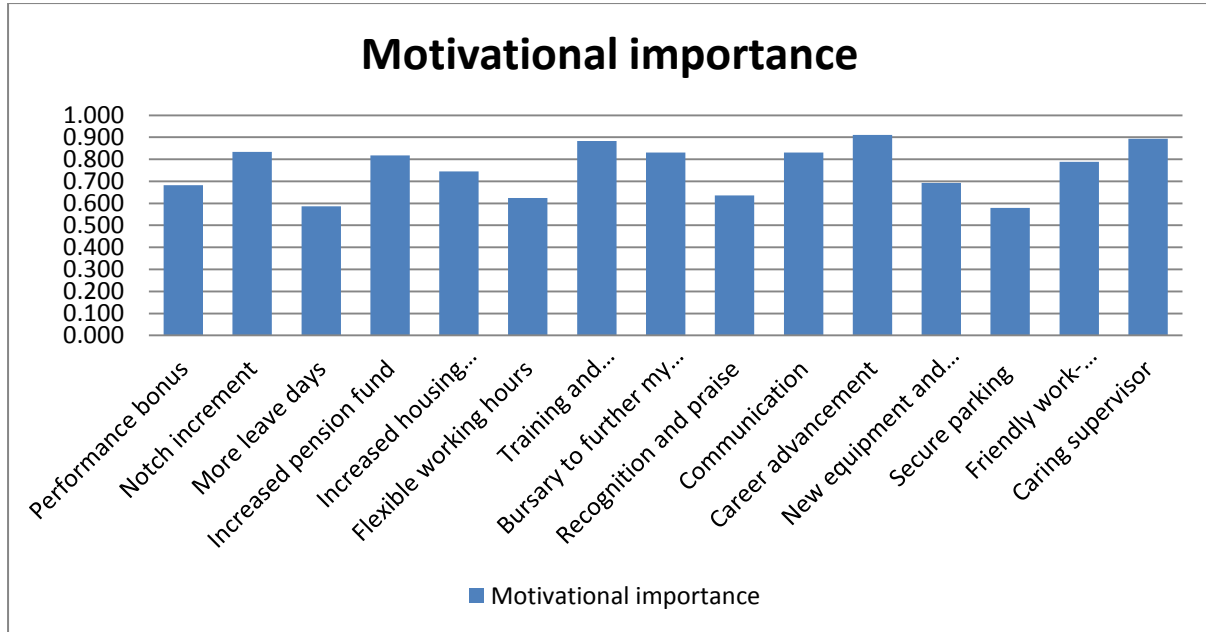
Figure 5.33: Responses with regard to the motivational impact of the elements of a total reward strategy

n = 92
X-axis: Likert scale
Y-axis: Response Percentage

The different components of the total reward strategy model, as advocated by Shields (2012), which were investigated in the research obtained the following forced-ranking scores in terms of motivational importance:

Total reward strategies	Ranking position
Performance bonus	11th
Notch increment	4th
More paid annual leave days	14th
Increased state contribution to my pension fund	7th
Increased housing allowance	9th
Flexible working hours	13th
Continuous training and development	3rd
Bursary to further my education	5th
Public recognition	12th
Supervisor communicating more regularly with me	6th
Being promoted and advancing my career	1st

Working with new IT equipment and having new furniture	10th
Having secure, under-cover parking facilities	15th
Working with friendly people	8th
A supervisor who listens to my problems and treats me with respect	2nd

The findings and interpretation of the data indicated that the performance management system which is currently in place in the Department does not really address the motivational needs of the employees effectively. The conclusions obtained from the research will be discussed in Chapter 6. Practical recommendations will be made to the Department to ensure that employees are truly motivated to perform over and above what is expected of them to attain the organisational objectives of the Department.

Chapter 6

CONCLUSIONS AND RECOMMENDATIONS

6.1   INTRODUCTION

This chapter, Chapter 6, will focus on making recommendations to the Management of the Department of Justice in the Northern Cape in terms of effectively motivating its employees. The recommendations will be based on the findings of the study, and be made in the context of the theory discussed in Chapter 2 as well as the background to the Departmental reward strategies discussed in Chapter 3.

The objectives of this research were to perform a literature review on the sub-problems as identified in Chapter 1. The research was done to measure the features the reward system directly associated with the sub-problems identified in Chapter 1 to understand which aspects, as adapted from the Total Reward model by Shields (2012), contribute to the successful motivation of employees of the Department of Justice in the Northern Cape.

It was seen in Chapter 2 that to motivate behaviour, performance should be linked to rewards that really address the specific motivational needs of the employees. If something is not important to a person, it will not carry any motivational weight for that person. In order to increase employee effort, the Department must align the performance management strategy to reward strategies which are truly motivational in nature to its employees. It is of utmost importance that the Department of Justice understand the expectations from their employees pertaining to what type of rewards really motivates them. Large amounts of monetary rewards are being paid out annually by the Department in the belief that money truly motivates its employees to increase their performance in the pursuit of attaining organisational goals.

In this chapter, the researcher will evaluate the research results and conclusions which were reached in Chapter 5 against the sub-problems which were identified in Chapter 1. Recommendations will be made to address the areas of concern as highlighted by the findings discussed in Chapter 5.

6.2.   ANALYSIS OF THE FINDINGS

In item 2 of the questionnaire, the data were collected using a 5-point scale, ranging from 1 for completely unimportant to 5 for extremely important. In analysing the data, the responses in each category of the scale (1–5) were added up and divided by the number of respondents, giving a MEAN (average) value ranging from 1.00 to 5.00 with 3.00 the middle value (lower than 3.00 indicates that the reward preference is fundamentally regarded as unimportant by the respondents - thus, the closer the MEAN is to 5.00, the more important the reward preference is to the respondents). However, because we are working with categorical variables we cannot interpret the mean as it is. Therefore, the MEAN for each question must be changed into a factor value (FV) or an Average Score (AS). The FV is then calculated. A mean of 3.00, therefore, is equal to a FV of 0.5 (or 50%). A high FV (> 0.5) indicates that the reward preference is regarded as important by the respondents. Following from the FVs calculated the researcher then ranked the reward preferences.

Moving to Item 3 of the questionnaire, the Chi-square test was used to make more meaning from the data collected in item 2 and item 3 of the questionnaires. The Chi-square test is a test used to determine if there is an association between two categorical variables. In other words, it is used to determine whether or not there are significant differences between the distributions of two nominal (categorical) variables. The importance of the different rewards in Item number 2 was then compared in relation to the related motivational preferences in Item number 3. The conclusion is based on the p-value and if the p-value is less than 0.1, the conclusion is that there is a significant association between the level of importance of a reward preference and its influence on motivation. The above method enabled the researcher to produce the findings in Figure 5.33 in terms of the motivational importance of the different variables of a total reward strategy.

6.3   THE MONETARY REWARD STRATEGY OF PERFORMANCE BONUSES

The findings regarding the first sub-problem need to be put in context, and recommendations are made based on the findings to address the problem.

6.3.1 Sub-problem 1:   *Do employees agree that the monetary reward strategy of performance bonuses lead to motivation?*

According to the quantitative data, the monetary reward strategy of performance bonuses only ranked 11th in terms of its relevance and importance in motivating employees. This means that the employees do not see performance bonuses as important in truly motivating them to deliver exceptional performance. From the literature that was reviewed, we learn that money produces temporary compliance and is not effective in shaping employee behaviour and conduct to last for an extended period of time. Employees, when only given money as a motivator, will show a positive attitude for a short time, and will seek more money for reward in the future as a sense of entitlement is created. The focus should be on creating a work environment where employees are consistently motivated and engaged to perform better with every performance cycle. As seen from the analysis of the results obtained from the research (Chapter 5), the current monetary reward of offering performance bonuses falls short in motivating the employees of the Department of Justice in the Northern Cape.

6.3.2 Recommendations

To address this shortcoming in the motivational efforts of the Department, the following can be recommended:

- The Department should invite open dialogue from all levels of employees and consider amending the current performance management policy to include more types of rewards in order to address the specific needs of all the employees, with special emphasis on the motivational value.
- The Departmental performance management strategy should support the personal performance management plan of each employee.
- A supervisor and his/her subordinate must work together more closely when the annual performance management plan is drafted for that specific individual. The employee must have the prerogative to make his/her own decisions on the preferred reward strategy which he/she wishes to ascribe to.

- It is of utmost importance that senior management understand the expectations from their employees pertaining to what type of reward really motivates them.
- The Department should develop personalised reward strategies to motivate their employees and to align the beliefs and values of the employee with the values of the Department.

6.3.3 Conclusion

Monetary rewards in the form of performance bonuses have been used to entice employees to accomplish organisational objectives worldwide (Chiu *et al.,* 2002). According to the results of the study, however, it is clear that employees in the Department no longer are enticed by this reward strategy. According to Maslow (Maslow *et al.,*1998), even where money pay continues to seem to be important, it is often not so in its own literal, concrete character, but rather as a symbol for status, success, and self-esteem with which to win love, admiration, and respect. In this context the current annual performance bonus awarded to an employee can be viewed as just a small windfall with which to pay the monthly debts.

6.4 THE MONETARY REWARD STRATEGY OF NOTCH INCREMENTS

Notch increments are an important form of reward for most employees, and the study set out to determine whether it also holds motivational value. This was addressed in sub-problem 2.

6.4.1 Sub-problem 2: *Do employees agree that the monetary reward strategy of notch increments leads to motivation?*

According to the quantitative data, the monetary reward strategy of notch increments ranked 4th in terms of relevance and importance in motivating employees. This means that the employees do see notch increments as important in truly motivating them to deliver exceptional performance.

Government Departments are known for paying employees exceptionally good salaries compared to employees in the private sector. The problem with this practice

of paying a high fixed-base pay is that the Department ends up remunerating an individual for the position he or she is holding rather than for the skill and extra effort that the person brings to the job. In order to construct the basic salary portion based on the productive capabilities of the individual holding the position rather than paying for the "position" itself, the trend has developed to increase the fixed-base pay portion of an employee's salary by means of annual merit increments to deserving employees. This trend is seen by the employees of the Department of Justice as important to them and therefore holds great motivational capabilities.

One of the problems, however, is that the current notch increment contained in the performance management policy of the Department may be considered to be too incremental to really have a significant positive impact on the motivation of employees as the difference between a notch and the following higher notch is a mere 1,5% increase.

6.4.2 Recommendations

In the light of the discussion in 6.4.1 recommendations will be made in this regard:

- Management should identify the type of incentive scheme that is most motivating to employees. This should be based on individual differences and needs. Performance contracts should not be drawn up on a one-size-fits-all basis.
- The incentives decided upon in these individual performance contracts must be feasible for the Department to implement.
- Instead of awarding performance bonuses, the Department should look at only utilising notch increments as a reward strategy.
- The money spent on performance bonuses can be put to better use by increasing notch increment percentages, that is, instead of awarding two notches to an outstanding performer, three notches might be awarded.
- These increased notch increments should be awarded only to top achievers delivering outstanding performance which by far exceeds the standard expected of the jobholder at that level.

- Management should seek and obtain feedback on how employees perceive incentives. Feedback combined with appropriate incentive schemes produces the strongest effect on job productivity.

- Should the official already be at the top notch of his/her post level an alternative reward strategy should be selected that would fulfil the specific motivational needs of that individual.

- Management should make sure that performance goals are clearly defined. The goals should be specific, measurable, achievable, and time bound. Productivity cannot be assessed if what constitutes productivity is not clearly and objectively defined from the onset.

6.4.3. Conclusion

The literature has shown that organisations that provide effective incentives are more likely to have satisfactory job performance from employees. From the results obtained from the quantitative data, the major conclusion that can be drawn is that awarding notch increments does show a significant correlation with employee motivation and productivity in the Department of Justice.

6.5 THE DIFFERENT FACETS OF A TOTAL REWARD STRATEGY

In the study the respondents were required to measure various aspects of a total reward system to determine what value they attached to each in terms of motivational value. The findings have been considered and ensuing from that, relevant recommendations are made.

6.5.1 Sub-problem 3: *In terms of Sub-problem 3 the following facets of a total reward strategy will also be measured relative to its importance for motivating employees, namely*

- *How important do employees consider recognition to be in motivating them?*

- *How important do employees consider communication to be in motivating them?*

- *How important do employees consider the work environment to be in motivating them?*

- *How important do employees consider training to be in motivating them?*

- *How important do employees consider career development to be in motivating them?*

Non-monetary rewards have the ability to touch the core of what drives a person and therefore have a longer impact on motivation than cash. Non-monetary rewards are also flexible and therefore very effective as employees are individuals who are all different in character, and they are motivated in different ways. From the quantitative data obtained, the above-mentioned reward strategies were ranked in terms of motivational importance as depicted in Table 6.1.:

Table 6.1: Non-monetary reward strategies as ranked by respondents

Total reward strategies	Ranking position
Being promoted and advancing my career	1st
Continuous training and development	3rd
Supervisor communicating more regularly with me	6th
Working with new IT equipment and having new furniture	10th
Public recognition	12th

- *How important do employees consider recognition to be in motivating them?*

Employees in the Department did not view receiving recognition as having motivational impact. Receiving public recognition and praise scored 12th place out of the possible 15 reward strategy variables presented to the respondents.

- *How important do employees consider communication to be in motivating them?*

Employees were of the opinion that regular communication between them and their supervisors was fairly important. Having regular one-on-one communication sessions with their supervisors scored an overall 6th place out of the possible 15 reward strategy variables which were presented to the respondents.

- *How important do employees consider the work environment to be in motivating them?*

Employees in the Department did not view the work environment as having significant motivational impact on their work performance. The importance of the work-environment scored 10th place out of the possible 15 reward strategy variables presented to the respondents.

- *How important do employees consider training to be in motivating them?*

Employees were viewed receiving continuous training as very important. Receiving continuous training scored an overall 3rd place out of the possible 15 reward strategy variables which were presented to the respondents.

- *How important do employees consider career development to be in motivating them?*

Employees were of the opinion that career development and progression were extremely important; in fact, career development aimed at opportunities for promotion was ranked as the most important motivational reward strategy out of all 15 rewards strategies.

6.5.2 Recommendations

Based on the findings and the ensuing explanations, the following recommendations are made:

- An overwhelming 95,7% of employees were of the opinion that being promoted and advancing their careers were important in motivating them to perform over and above the norm which are expected from them. It was also found that 82,6% of respondents were of the opinion that receiving on-going training and development in the Department would impact positively in motivating them. It is therefore of the utmost importance that the Department should ensure that career advancement possibilities are created in the Department for employees, or it will run the risk of losing these employees to other Departments or sectors where better career advancement opportunities exist.

- The Personal Development Plans currently in use by the Department should be changed to incorporate preparation for promotional opportunities in the Department.

- Supervisors, together with employees, must identify what the next promotional position will be for each individual. The qualification, requirements and attributes which will be required to advance to the next position must be identified. A developmental action plan with set goals and time frames must be agreed upon between the employee and the supervisor. The Learning and Development Section should be put in charge to drive the various development interventions identified in the developmental action plan to ensure the that the employee is developed according to plan.

- Employees who have complied with the necessary developmental requirements must be afforded the opportunity to act in the higher position under the supervision of their supervisors. Based on the literature, acting responsibilities can be without remuneration, as long as it allows the employee to gain the exposure and necessary experience in the higher position.

- Employees need to understand the organisational goals and objectives for them to be able to contribute positively to the organisation. Communication between managers and employees must take place on a regular basis in order to be effective. Employees want to have a sense of purpose and they want to be challenged to grow and achieve greater things on a continual basis.

- The Department should continue to express appreciation for the efforts and achievements of employees. Supervisors must play a more active role in this by giving informal recognition for a job well done, to show honour and respect to their employees, giving positive feedback even for the smallest of tasks well-done, and allow employees to be involved in planning and decision-making.

- Leadership was found to be a key element in the work environment and should inspire, motivate and create cohesion amongst employees. Managers should show interest in their employees as human beings, show empathy and listen to their opinions in order to effectively motivate them.

6.5.3 Conclusion

The quantitative data indicated clearly that career advancement through continuous training and development is a strong motivator for employees, as it holds the following benefits for them:

- To increase their chances of promotion, receiving recognition and an increase in their salary;
- To enhance their sense of personal satisfaction and achievement;
- To enable career progression and/or diversification;
- To empower employees to improve their skills, and job knowledge;
- To instil confidence in and loyalty to the organisation.

The Department should develop career succession planning to retain these highly developed and skilled employees.

6.6 VALUE OF THE STUDY

Having completed such an essential study, especially in the light of the current labile employment situation in South Africa, considering the value of the study is warranted. It is hoped that the findings of the study will make a contribution by adding value in the following respects.

6.6.1 Theoretical value contribution

With current service delivery challenges being experienced in all spheres of Government, senior management structures and policy makers should determine which motivational reward strategies are really important to employees. Performance management and the reward strategies currently ascribed to in performance management policies of Government are out-dated and should be urgently reviewed. Reward strategies must be truly effective in motivating employees, otherwise the monetary rewards which are currently being paid, are just a waste of tax payers' money. Performance-related pay in Government can no longer be seen as an entitlement; instead, in the light of the results of this research, the Department of Justice should re-evaluate the effectiveness of current reward strategies in employee motivation and ascertain whether the current practices are still the most effective

methods to motivate its employees. The insights obtained from this research are particularly useful in the current climate on instilling good governance in Government structures.

6.6.2 Practical value contribution

The Departmental Performance Management Policy and reward strategy of the Department of Justice were drafted by the Directorate: Performance and Career Management and are not representative of the views and opinions of the employees working for the Department. Employees were never consulted on a one-on-one basis and asked whether monetary rewards were important to them, or if there might be other aspects of a total reward strategy that might be more important to them. Management should therefore determine which motivational reward strategies are important to their employees in order to have an organisational reward strategy which is truly effective in motivating their employees individually.

6.6.3 Methodological value contribution

It is trusted that this research will provide more insight into the study of performance and reward management and will add to the existing body of knowledge. This research investigated the different components of 'total reward' and provided guidelines for the implementation of a total reward strategy as advocated by Shields (2012). The study highlighted the limited research that has been conducted on the motivational aspects of different reward strategies.

6.7   LIMITATIONS OF THE STUDY

A limitation of this research is that the sample size was not sufficiently representative. More respondents participating in the research might have produced more conclusive results. However, as a starting point to set wheels in motion for a better reward system in Government departments, the study is believed to have rendered meaningful results.

6.8   POSSIBLE FUTURE RESEARCH

The research only investigated the importance of the different reward strategies in motivating employees of the Department of Justice in the Northern Cape Province. Further research on the motivational impact of the performance management system of the Department of Justice countrywide would contribute to the theory of the management of performance and reward at a national level. Further research could establish best practices for performance and reward management systems in Government institutions in general.

6.9   SUMMARY

Chapter 6 highlighted the problem areas identified in the findings of the study, and those were verified against the literature review which was discussed in Chapter 2. Each of the different sub-problems as identified in Chapter 1 was addressed and recommendations were made on how each of the sub-problems might be solved. The first sub-problem concentrated on determining whether the monetary reward strategy of performance bonuses leads to employee motivation. The second sub-problem was focused on determining whether the monetary reward strategy of notch increments leads to employee motivation in the Department. The third sub-problem involved the different facets of a total reward strategy, and was aimed at determining which of these facets are important in motivating employees. The facets concerned are: Recognition; communication; the work environment; training, and career development.

The aim of the research was to determine which of the above-mentioned reward strategies were regarded as important motivating factors to the employees of the Department of Justice in the Northern Cape. The 'components of total reward' model of Shields (2012), as illustrated in Chapter 1, was used as a guide in the research. Conclusions drawn from the data provided in Chapter 5 were summarised, and based on these conclusions and the theory discussed in Chapter 2, recommendations were made with a view to improve and reinforce the performance and reward management processes in place in the Department.

The value of the study is that it has contributed to research-based studies on the effectiveness of performance and reward management practices aimed at motivating employees. The research was successful in building theory on the implementation of individual reward strategies that will address the individual needs of employees, as people have different needs and aspirations. It is hoped that the outcome of this study will make a contribution to performance management policies by providing guidelines for the implementation of a total reward management system based on Shields' components of a total reward model.

6.10   CONCLUSION

This research was conducted to investigate the success and/or failure of the performance management policy of the Department of Justice in the Northern Cape, in motivating its employees to perform over and above what is expected of them. In the literature review a number of different theories and opinions were highlighted in terms of whether the different monetary and non-monetary rewards were successful in motivating employees. The implementation of an effective reward management strategy, which would impact on motivating employees to exceed their expected performance, will contribute to the success of any organisation, not only that of the Department of Justice. The current failure of Government institutions across South Africa to deliver the expected services to the public is seen as a symptom of the underlying root cause of non-performing officials. The question can then be asked why these officials are not seen to be motivated to perform their functions to the best of their abilities. One of the reasons which is highlighted in this research, is that employees are not actively involved in determining what reward strategies should be applied to them.

The Department of Justice is also seen as ascribing to a one-size-fits-all approach to performance rewards as contained in the performance management policy of the Department. Literature has shown that the best reward management system to have is one that allows an integrated approach by establishing the personal motivational needs of employees and then aligning these needs to manage employee performance in such a manner that the mission of the organisation and the strategic goals of the institution are addressed successfully. Attending to the personal needs

of employees will increase their commitment and motivation. It is of utmost importance that management acknowledge personal differences by implementing individual reward strategies in the performance management contract of each employee.

The main intention of performance management is to change people's behaviour to enhance performance, but in order to do this the performance management policy must effectively address the motivational needs of employees when it comes to reward preference. The components of a total reward model, advocated by Shields (2012), proved to be effective as a holistic tool which can assist managers to identify specific motivational components applicable to include in an individual performance contract. Performance management systems will never be perfect, but they should at least be an endeavour to address the motivational needs of employees in terms of which rewards effectively motivate them to go the extra mile when it comes to their performance.

If the recommendations made in this report, based on the findings of the research, are taken into consideration by management, it not only may contribute to improving the individual performance of employees, but also may ensure that the organisational objectives of the Department are met, because without the genuine buy-in of the employees, the Department will not be able to fulfil its mandate.

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ANNEXURE A: Questionnaire

Understanding employee reward preferences in the Department of Justice, Northern Cape, in motivating employees

Dear Respondent,

I am a MBA student with the University of the Free State. I am conducting research on the impact of monetary and non-monetary rewards on employee motivation. As part of this research I would like to invite you to complete a short questionnaire about **your own personal reward motivation preferences** pertaining to your current job.

Your participation in this research questionnaire is voluntary and your answers are anonymous and you are therefore not required to attach your name to this questionnaire.
Approval to conduct the research was granted by the Regional Head, Mr R.D. Isaacs.

I appreciate your participation in this research as I hope that the results will contribute positively to your work experience in the Department of Justice. It will take you no more than 15 minutes to complete the questionnaire. Please note that I am prepared to share the results to any interested parties if requested to do so.

If you have any questions, please contact:

Researcher: Ronel de Klerk
E-Mail address: RDeKlerk@justice.gov.za
Contact Details: 053-8390052

Supervisor: Dr Renalde Huysamen
E-Mail address: huysamenca@ufs.ac.za
Contact Details: 051-4013778

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ANNEXURE A: Questionnaire

Understanding employee reward preferences in the Department of Justice, Northern Cape, in motivating employees

Item nr 1	Demographic (please tick the applicable block)
1.1	**What is your gender?**
	Female
	Male
1.2	**What is your age?**
	18 years to 29 years of age
	30 years to 39 years of age
	40 years to 49 years of age
	50 years to 59 years of age
	60 years to 65 years of age
1.3	**What is your racial grouping?**
	African
	Coloured
	Asian
	White
1.4	**What is your highest form of qualification?**
	I have not matriculated
	I have matriculated
	I have a Diploma
	I have a Degree
	I have a post-graduate Degree
1.5	**What is your post level?**
	Level 5
	Level 6
	Level 7
	Level 8
	Level 9
	Level 10
	Level 11
	Level 12
1.6	**What Directorate are you employed in?**
	Human Resources
	Finance
	Legal
	Court Operations
1.7	**How long have you been working in the Department of Justice?**
	0 to 2 years
	3 to 5 years
	6 to 8 years
	9 to 10 years
	11 to 20 years
	21 to 30 years
	30 years or longer
1.8	**Are you a contract or permanent employee?**
	I am on contract
	I am a permanent employee

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ANNEXURE A: Questionnaire

Understanding employee reward preferences in the Department of Justice, Northern Cape, in motivating employees

Item nr 2	The following questions are aimed at determining how important various rewards are in motivating you to do more than what your employer expects of you. (tick the box that best describes your level of agreement with the statement being made)				

2.1 Receiving a performance bonus is important to me.

	No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.2 Receiving a notch increment is important to me.

	No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.3 It is important to me to have more paid annual leave days.

	No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.4 Receiving an increased state contribution to my pension fund is important to me.

	No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.5 Receiving an increased housing allowance is important to me.

	No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.6 Having flexible working hours is important to me.

	No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

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2.7	Receiving continuous training and development is important to me.					
		No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.8	Receiving a bursary to further my education is important to me.					
		No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.9	Receiving public recognition is important to me.					
		No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.10	Having my supervisor communicating more regularly with me, is important to me.					
		No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.11	Being promoted and advancing my career is important to me.					
		No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.12	Working with new IT equipment and having new furniture is important to me.					
		No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.13	Having secure, under-cover parking facilities is important to me.					
		No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.14	Working with friendly people is important to me.					
		No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

2.15	Having a supervisor who listens to my problems and treats me with respect is important to me.					
		No, it is completely unimportant	It is of little importance to me	Neither unimportant nor important	Yes, it is important	It is extremely important

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ANNEXURE A: Questionnaire

Understanding employee reward preferences in the Department of Justice, Northern Cape, in motivating employees

Item nr 3	Indicate what will motivate you more by choosing **option a** or **option b** by marking the correct block.			
3.1	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Receiving public recognition.			
	Option chosen	a	or	b
3.2	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Having your supervisor communicating more regularly with you.			
	Option chosen	a	or	b
3.3	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Working with new IT equipment and having new furniture.			
	Option chosen	a	or	b
3.4	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Having free secure, under-cover parking facilities.			
	Option chosen	a	or	b
3.5	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Having a supervisor who listens to your problems and treats you with respect.			
	Option chosen	a	or	b
3.6	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Being promoted and advancing your career.			
	Option chosen	a	or	b
3.7	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Having flexible working hours.			
	Option chosen	a	or	b
3.8	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Receiving an increased housing allowance.			
	Option chosen	a	or	b
3.9	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Receiving an increased state contribution to your pension fund.			
	Option chosen	a	or	b
3.10	**What motivates you more?** (a) Receiving a performance bonus **or** (b) to have more paid annual leave days.			
	Option chosen	a	or	b
3.11	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Receiving a bursary to further your education?			
	Option chosen	a	or	b
3.12	**What motivates you more?** (a) Receiving a performance bonus **or** (b) Receiving continuous training and development.			
	Option chosen	a	or	b

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3.13	**Rank the following items in terms of what is more important to you to motivate you, with numer 1 being the most important and number 3 being the least important:** receiving a performance bonus;or receiving a notch increment; or receiving better employee benefits	
	My number 1 preference is (most important):	
	My number 2 preference is:	
	My number 3 preference is (least important):	
3.14	**Rank the following items in terms of what is more important to you to motivate you, with numer 1 being the most important and number 5 being the least important:** receiving training and development opportunities of my choice;or receiving public recognition and praise from my supervisor; or having regular one-on-one meetings with my supervisor; or having the opportunity to be promoted; or having a friendly work-environment with new amenities and advanced technology.	
	My number 1 preference is (most important):	
	My number 2 preference is:	
	My number 3 preference is:	
	My number 4 preference is:	
	My number 5 preference is (least important):	
3.15	**Rank the following items in terms of what is more important to you to motivate you, with numer 1 being the most important and number 8 being the least important:** receiving a performance bonus; or receiving a notch increment; or receiving better employee benefits; or receiving training and development opportunities of my choice; or receiving public recognition and praise from my supervisor; or having regular one-on-one meetings with my supervisor; or having the opportunity to be promoted; or having a friendly work-environment with new amenities and advanced technology.	
	My number 1 preference is (most important):	
	My number 2 preference is:	
	My number 3 preference is:	

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My number 4 preference is:		
My number 5 preference is:		
My number 6 preference is:		
My number 7 preference is:		
My number 8 preference is (least important):		

ANNEXURE B

15 August 2014

Mr R.D. Isaacs
Department of Justice
Regional Head Northern Cape
Cnr Knight & Stead Street
KIMBERLEY
8300

REQUEST FOR PERMISSION TO CONDUCT RESEARCH IN THE REGIONAL OFFICE AND CLUSTER OFFICES IN THE NORTHERN CAPE

I am a student at the University of the Free State and the research I wish to conduct for my Master's dissertation involves analysing the effectiveness of the reward strategy of the Department of Justice in the Northern Cape in motivating its employees. This research will be conducted under the supervision of Dr C.A. Huysamen the Director: Performance Management and Staff Development at the University of the Free State.

I am hereby seeking your consent to issue questionnaires to Regional Office staff and staff in the cluster offices in the Northern Cape to determine their level of satisfaction with the current reward strategy.

Upon completion of the study, I undertake to provide you with a bound copy of the full research report. I hope that this research will enhance the current reward strategies in place in the Department by allowing employees to give their opinion on what exactly they desire from a reward system. If you require any further information, please do not hesitate to contact me.

Thank you for your time and consideration in this matter.

Ronel de Klerk

MR R.D. ISAACS

REGIONAL HEAD: NORTHERN CAPE

APPROVED / NOT APPROVED / NOTED

COMMENTS: _____

_____

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ABSTRACT

ANALYSING THE EFFECTIVENESS OF THE REWARD STRATEGY OF THE DEPARTMENT OF JUSTICE IN THE NORTHERN CAPE IN MOTIVATING ITS EMPLOYEES

by

Ronel de Klerk

SUPERVISOR: Dr. C.A. Huysamen

DEPARTMENT: The UFS Business School in the Faculty of Economic
and Management Sciences

DEGREE: Magister in Business Administration

DATE: 21 October 2014

What was the purpose of the research: The research reported here investigated facets of the current reward strategy of the Department of Justice that are motivating its employees, and determined which facets of a total reward system are important to the employees in motivating them to perform over and above what is expected from them.

How was the research designed: The research can be classified as a case study and quantitative techniques was utilised in this research. The target population is the employees of the Department of Justice in the Northern Cape region and the sample is the total number of employees at the Regional Office as well as fifteen employees from each of the cluster offices, namely the Upington cluster, the Springbok cluster and the Kimberley cluster. Questionnaires for completion were handed out to the

complete sample population, which constituted 130 individuals. After a period of one week 92 questionnaires were received back for processing, analysis and interpretation. In the research a purposive non-probability judgement sampling method was used. The officials that participated in the research were representative of different salary levels, ranging from junior officials to supervisors and managers. The software used to analyse the data is IBM SPSS Statistics 22.

What were the findings: The findings and interpretation of the data indicated that the performance management system which is currently in place in the Department of Justice in the Northern Cape does not really address the motivational needs of the employees effectively.

What were the conclusions: According to the quantitative data, the monetary reward strategy of performance bonuses only ranked 11th in terms of its relevance and importance in motivating employees. This means that the employees do not see performance bonuses as important in truly motivating them to deliver exceptional performance. According to the quantitative data, the monetary reward strategy of notch increments ranked 4th in terms of relevance and importance in motivating employees. This means that the employees do see notch increments as important in truly motivating them to deliver exceptional performance. From the quantitative data obtained, the different facets of a total reward strategy were viewed by the respondents in the following light:

- Employees were of the opinion that career development and progression were extremely important; in fact, career development aimed at opportunities for promotion was ranked as the most important motivational reward strategy out of all 15 rewards strategies.
- Employees were viewed receiving continuous training as very important. Receiving continuous training scored an overall 3rd place out of the possible 15 reward strategy variables which were presented to the respondents.
- Employees were of the opinion that regular communication between them and their supervisors was fairly important. Having regular one-on-one

communication sessions with their supervisors scored an overall 6th place out of the possible 15 reward strategy variables which were presented to the respondents.

- Employees in the Department did not view the work environment as having significant motivational impact on their work performance. The importance of the work-environment scored 10th place out of the possible 15 reward strategy variables presented to the respondents.

- Employees in the Department did not view receiving recognition as having motivational impact. Receiving public recognition and praise scored 12th place out of the possible 15 reward strategy variables presented to the respondents.