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THE INFLUENCE OF ORGANISATIONAL REWARDS ON WORKPLACE TRUST AND WORK ENGAGEMENT

by

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Submitted in the fulfilment of the requirements of the degree MAGISTER COMERCII

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at the

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Herewith, declare that the submission of this minor dissertation by me for the degree: Masters of Commerce (Industrial Psychology) at the University of Johannesburg has not been submitted by me for a degree at another University and is my own and independent work.

JANINE ASHLEIGH VICTOR
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ABSTRACT

In today’s volatile and competitive business environments, organisations are faced with heightening challenges to retain their most talented employees. As indicative of high turnover rates and poor economic conditions, employees are increasingly leaving their positions for a number of reasons; one of them being a perceived lack of adequate reward practices. As a result, an increasing number of workers have experienced declining levels of confidence in the employee-employer relationship which has furthermore had an impact on employee engagement. As significant behavioural-related concepts, this study sought to explore if rewards influence trust and engagement in the workplace for the purpose of improving current talent management and retention practices. The overall purpose of this study was to determine whether there is a relationship between the three constructs and whether rewards are able to predict trust and engagement within the employment context. Scales from the Job Satisfaction Survey (JSS), Intrinsic Motivation Inventory (IMI), Psychological Meaningfulness Scale (PMS), Basic Psychological Needs at Work Scale (BPNWS), Workplace Trust Survey (WTS) and Utrecht Work Engagement Scale (UWES) were administered to a sample of employees \(N = 251\) in various South African sectors and industries within the Gauteng region. The results indicated that there is a moderate to strong positive relationship between the three constructs and that rewards are able to predict trust and engagement. These findings are significant in that they provide insight into the relationship between rewards, trust and engagement which can be used to inform behavioural practitioners about how to improve on talent management and retention strategies in the workplace.

Keywords: Intrinsic rewards, extrinsic rewards, total rewards, workplace trust, work engagement
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CHAPTER 1: INTRODUCTION

1.1 Introduction

It is hard to envision that the world of work has transformed so drastically over the past two decades. With constant shifts and changes in unpredictable and volatile corporate markets and environments, the 21st century business age has called for new ways of thinking (Boohene & Williams, 2012). In search for flourishment and success within this corporate landscape, global firms are expecting, urging and requiring their workforce to become equipped with flexibility, new skills-sets and the ability to adapt to the increasing pressures, demands and challenges that this emerging century presents (International Labour Office [ILO], 2006). Driven by knowledge, information and innovation, the new global economy treasures employees who are able to bring this agility, adaptability, and ingenuity to the workplace (Hodge & Lear, 2011). What is more, organisations are competing with one another to attract and retain global talent, regarded as highly valuable assets (Kuptsch & Pang, 2006).

In accordance with the aforementioned, organisations are in search for workers who demonstrate competence and effectiveness in the workplace. In particular, workers who are able to bring in, acquire and maintain their skills are regarded as human resource investments (ILO, 2010). Scott, McMullen, and Royal (2012) argue that within competitive labour markets, it is emerging that retaining key talent is becoming increasingly difficult and as a result, presents a challenge for organisations. This may be attributed to a number of possible reasons such as the global skills shortage (Visser, 2012) and emigration of skilled professionals to other countries (Mateus, Allen-Ile, & Iwu, 2014; Muteswa & Ortlepp, 2011). Scott et al. (2012) further argues that findings are indicative of the fact that skilled workers are increasingly leaving their current positions due to a perceived lack of adequate reward
practices such as poor promotional opportunities, unsuitable pay structures, supervisory issues, and challenges surrounding other benefits and incentives.

As indicative of these high turnover rates, organisations have further been affected by adverse economic conditions where they have been forced to make adjustments to their reward and talent management structures (Jiang, Xiao, Qi, & Xiao, 2009). In an attempt to sustain organisational survival, downsizing and cost-saving practices through reducing rewards have not only adversely impacted on employees’ levels of work engagement (Scott et al., 2012), but have reduced their confidence and trust in organisations as well (Fehr & List, 2004; Reinardy, 2010).

In light of the aforementioned, exploring talent management concepts such as organisational rewards, workplace trust and work engagement has become increasingly significant in the 21st century world of work. Moreover, previous studies have evidenced that a more intricate focus on organisational reward systems (Kwenin, Muathe, & Nzulwa, 2013; WorldatWork, 2006), workplace trust practices (Enguene, 2015; Hytter, 2007) and work engagement approaches (Balakrishnan, Masthan, & Chandra, 2013; Komposo & Sridevi, 2010) may add value to organisational talent management strategies, where they have particularly, proven to be useful in the retention of employees.

In order to put the aforementioned into perspective, the aim of this chapter is to gain insight and understanding into the significance of utilising organisational rewards to enhance workplace trust and work engagement amongst workers. As such, the focus of this chapter is to enhance awareness of how organisations can maximise their talent management strategies to help attract and retain highly valued employees.
1.2 Problem statement

Owing to constant and heightening advancements in technology, greater levels of competition and globalisation, the changing demographics of the workforce and pressures stemming from the political, economic, social and legal environments, organisations both locally and internationally are recognising the rapidly progressing need for both attracting and retaining a skilled workforce (Coetzee & Gunz, 2012; Kyndt, Dochy, Michielsen, & Moeyaert, 2009; Wallace, Lings, Cameron, & Sheldon, 2014). Oladapo (2014) contends that there is an emerging trend of talent scarcity in the workplace. Likewise, Kerr-Philips and Thomas (2009) articulate that South African organisations are affected by a skills shortage in that they are battling to retain their “top talent” and “knowledge workers” (p. 82). Retaining a skilled workforce has thus become a major concern and challenge for many South African organisations (Terera & Ngirande, 2014). In light of this, organisations are moving away from traditional organisational reward practices in which salaries, bonuses and other concrete benefits are no longer being used as the only means for motivating and retaining their employees (Jacobs, Renard, & Snelgar, 2014). These rewards alone are furthermore no longer effective in establishing workplace trust and ensuring that there is a higher level of engaged employees at work (Jacobs et al., 2014; Martins & Von der Ohe, 2002).

It is for this reason that organisations need to identify what motivates and drives this dynamic workforce (Arnolds & Venter, 2007). According to Nujjoo and Meyer (2012), organisations are better able to retain workers who demonstrate more commitment and motivation at work. Thomas (2009) argues that although extrinsic rewards are important, employees are increasingly intrinsically driven. Extrinsic rewards entail the tangible benefits that employees receive for conducting their work, which includes pay, promotion, and recognition, amongst others (Byars & Rue, 2011; Porter & Lawler, 1968). On the other hand,
intrinsic rewards are those rewards that are intangible, psychological, and positive in nature, and that give employees a sense of inner fulfilment (Byars & Rue, 2011; Thomas, 2009).

In previous studies, findings have evidenced that through the use of intrinsic and extrinsic rewards, organisations may be better able to retain employees who are more likely to have higher levels of workplace trust. For example, Ferrin and Dirks (2003) found that organisational rewards can have a strong and predictable influence on workplace trust. Workplace trust entails the degree to which an individual trusts (has confidence in) his or her organisation regarding aspects such organisational processes and integrity (Galford & Drapeau, 2002). Organisational rewards are further significant for work engagement. For example, research has found a statistically significant relationship between organisational rewards and work engagement (Hulkko-Nyman, Sarti, Hakonen, & Sweins, 2014; Jacobs et al., 2014; Waqas & Saleem, 2014). Roberts and Davenport (2002) discovered that a rewarding work environment may heighten work engagement amongst employees. According to Schaufeli, Salanova, Gonzalez-Roma, and Bakker (2002), work engagement refers to how an individual experiences his or her work in terms of vigour (elevated energy levels, willingness to exert effort and perseverance), dedication (pride, admiration, enthusiasm and motivation) and absorption (being satisfied with and more intricately involved in one’s work).

The significance of exploring the influence of organisational rewards on workplace trust and work engagement could prove useful in South African organisations across all industries and sectors. This is because, as previously mentioned, many South African organisations are under tremendous strain due to the oversupply of unskilled workers, making it difficult for companies to attract and retain valuable talent (Visser, 2012). This challenge for the South African labour market has arisen as a result of the education system undersupplying learners matriculating with mathematics and science, and of skilled professionals emigrating to
countries where offerings of remuneration and resources are more lucrative (Mateus et al., 2014; Muteswa & Ortlepp, 2011).

Other challenges facing South African organisations are the legal, political and economic environments in which businesses operate (Van Wyk & Pienaar, 2008). For example, in his research study on factors contributing to skilled South African talent emigration, Brink (2012) found that the main reasons for skilled professionals leaving South Africa were due to crime and violence, legislation such as Black Economic Empowerment (BEE) and Broad-Based Black Economic Empowerment (BBBEE), poor public transportation systems, income and remuneration, taxation, and a lack of confidence in the government, amongst others. At a more micro level, Muteswa and Ortlepp (2011) found that skilled professionals, and more particularly managers, were more likely to leave their jobs due to, and for example, perceived inadequate reward practices.

Therefore, it is important that organisations aim to create favourable conditions for employees in order to reduce staff turnover and retain human capital. It is for this reason that South African organisations need to continually improve and better their talent management strategies by focusing on aspects such as organisational rewards, workplace trust and work engagement.

1.3 Objectives of the study

Research findings pertaining to organisational rewards within the corporate South African context are fragmented and inconsistent. In addition, research is still largely growing as many gaps in the literature are prevalent (these are identified and highlighted in the following chapter). In order to contribute towards the body of knowledge through filling some of the recognised gaps, this research study primarily aimed to explore the relationship between organisational rewards, workplace trust and work engagement within the South African
employment context. Additionally, the research study sought to determine whether intrinsic and/or extrinsic organisational rewards predict workplace trust and work engagement.

1.4 Chapter outline

The following provides an outline of what the proceeding chapters shall encapsulate: chapter 2 constitutes an in-depth literature review presenting theoretical conceptualisations of the three key variables (organisational rewards, workplace trust and work engagement), previous research which has been conducted within these areas as well as the importance of exploring these variables. Chapter 3 comprises of the research objectives as well as the methodology utilised to achieve the goals of the research. In particular, this entails a detailed outline of the research design employed as well as the participants’ biographical and demographic information. In chapter 4, the results and findings of the research study convey the statistical analyses conducted. Chapter 5 presents a discussion of the research findings based on the analyses and previous research and, finally, chapter 6 encompasses the conclusion, limitations and recommendations of the study.

1.5 Contributions of the study

Based on the outcomes, the study highlights the importance of providing organisational rewards to enhance workplace trust and ensure that individuals are more engaged in their work. In particular, the investigation and exploration of these variables may prove to add valuable contributions to (a) the existing body of knowledge; (b) assisting scholars, researchers and managers in better understanding the relationship between organisational rewards, workplace trust and work engagement; (c) improving organisational talent management strategies and practices; and (d) providing a platform to explore other variables which may be influenced by organisational rewards.
1.6 Conclusion

This chapter briefly outlined why organisational rewards, workplace trust and work engagement are deemed significant retention concepts within the world of work, especially within this constantly shifting and changing global economy. Additionally, it was articulated that organisational rewards may influence workplace trust and work engagement amongst employees. Although research has been conducted on organisational rewards, workplace trust and work engagement, the relationships between these key variables as well as the impact that organisational rewards may have on workplace trust and work engagement remain limited, particularly within the South African context. As such, research objectives and contributions of this study were identified and outlined. The following chapter provides a more in-depth, theoretically-grounded and practical focus on the key variables of this study.
CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

An important aspect that organisations should be cognisant of is the ability to adjust to emerging and transforming needs of their most valued assets, their human resources. As a means of addressing employee needs, literature has significantly found that reward practices and strategies serve as a reliable source of improving not only employee performance but also enhancing organisational outputs (Ajmal, Bashir, Abrar, Khan, & Saqib, 2015; Gohari, Ahmadloo, Boroujeni, & Hosseinipour, 2013; Ibrar & Khan, 2015; Njanja, Maina, Kibet, & Njagi, 2013). Smit, Stanz, and Bussin (2015) argue that reward strategies may be imperative for retaining and motivating a talented workforce. Additionally, within the highly competitive marketplace and broadening economic development both locally and internationally, organisations are recognising that employees contribute immensely and critically to moulding organisational achievements and successes (Gohari et al., 2013).

This study identifies the impact that organisational rewards have on additional employee outcomes including workplace trust and work engagement. Although limited, research has found that organisational rewards have an impact on workplace trust (Burke, 2002; Ferrin & Dirks, 2003) and work engagement (Hulkko-Nyman et al., 2014; Jacobs et al., 2014; Masvaure, Ruggunun, & Maharaj, 2014). In order to gain deeper understanding of how organisational rewards may impact on these two constructs, this chapter provides theoretical conceptualisations as well as a comprehensive discussion based on previous empirical research.

2.2 Organisational rewards

Organisational rewards are deemed important aspects within the workplace. Simply put, they are given to employees for conducting work. Rewards are generated from inclusion in
employment (Byars & Rue, 2011) and as such, encompass those positive consequences that an employee receives, or has confidence in receiving, for work that has been conducted based upon a particular action or result (Wilson & Eckel, 2003). Additionally, rewards have been defined as the financial, non-financial, and psychological benefits that an organisation provides to workers in return for their contributions and efforts (Bratton & Gold, 2003).

In contemporary times, rewards comprise of more than just basic pay. They may be regarded as intrinsic (internal to an individual); extrinsic (external to an individual) monetary (financial); non-monetary (non-financial); direct (compensation for work conducted); and indirect (additional benefits), and may be used for a multitude of reasons and purposes. For example, rewards are often used to enhance motivation or performance (Aktar, Sachu, & Ali, 2012; Hamukwaya & Yazdanifard, 2014), attract and retain human capital (WorldatWork, 2006), increase work engagement (Ram & Prabhaker, 2011), and heighten job satisfaction (Oriarewo, Agbim, & Owutuamor, 2013; Ram & Prabhaker, 2011), amongst others.

In order to reward employees for their efforts at work, organisations often make use of various reward systems, strategies and practices. According to Armstrong and Stephens (2005), one of these strategies is to make use of total rewards (defined as the inclusion of all types of rewards). Total reward strategies and practices are thus indicative of a holistic approach to rewarding employee performance and effort on the job and as such encapsulate both intrinsic and extrinsic rewards.

2.2.1 Extrinsic rewards

As a legal obligation and inherent to a job, extrinsic rewards are those salient incentives useful for attracting and retaining members of the workforce (Armstrong & Stephens, 2005; Nujjoo & Meyer, 2012). A classic definition of extrinsic rewards was articulated by Porter and Lawler (1968) who stated that these rewards encompass tangible benefits that employees
receive for conducting their work. Van Aswegen, Botha, Kleynhans, Lotz, Markham, Meyer, O’Neill, and Schlechter (2009) contended that extrinsic rewards are controlled and dispersed directly by the organisation.

Extrinsic rewards can be categorised as either monetary or non-monetary in nature. Weatherly (2002) articulated that monetary rewards are those rewards which are tangible. In other words, monetary rewards are those financial and money-driven incentives used to reward employee performance (Osa, 2014). Examples of these types of rewards include pay, promotion (which incorporates an increase in pay), and bonuses, for example. Non-monetary rewards, on the other hand, are intangible and non-financial incentives (Weatherly, 2002). These rewards may include fringe benefits and contingent rewards which comprise of praise and personal recognition, amongst others (Weatherly, 2002). According to Malhotra, Budhwar, and Prowse (2007) and Mottaz (1985) as cited in Nujjoo and Meyer (2012), other types of extrinsic non-monetary rewards include social rewards which constitute interpersonal relationships between the employee and his or her supervisors and/or co-workers.

It is widely-held by numerous managers and compensation ‘gurus’ that extrinsic rewards have an impact on motivation amongst workers (Bowen, 2000; Hafiza, Shah, Jamsheed, & Zaman, 2011; Pritchard, Campbell, & Campbell, 1977). As such, motivation refers to the degree to which a person feels energised or activated towards something (Ryan & Deci, 2000). Motivation has also been defined as that internal and psychological aspect that drives individuals towards achieving and accomplishing a goal, objective or motive (Lindner, 1998). From an organisational perspective, work motivation is concerned with those aspects and forces that drive certain behaviours such as performing well (Takawira, Coetzee, & Schreuder, 2010). Literature identifies two categories of motivation namely, intrinsic and extrinsic motivation. While intrinsic motivation refers to being involved in a task or activity
for inner satisfaction and enjoyment, the latter refers to participation in an activity for a consequential outcome and instrumental value (Ryan & Deci, 2000).

In accordance with the above literature, Bowen (2000) emphasised that extrinsic rewards are not motivators. Instead, they serve as those aspects which can either satisfy or dissatisfy a person. Similarly, Wilson and Eckel (2003) argued that employees will only do the necessary to obtain an extrinsic reward (such as minimally doing what is required to obtain pay, for example) which results in short-term compliance and may ultimately lead to resentment. In contrast, many authors have found that extrinsic rewards are partially responsible for employee motivation (Aamir, Jehanzeb, Rasheed, & Malik, 2012; Arnolds & Venter, 2007). For example, Aamir et al. (2012) discovered that extrinsic rewards and intrinsic rewards are important aspects in motivating employees. Within the South African research domain, Arnolds and Venter (2007) revealed that bonuses and pay increases were significant employee motivators. As such, research surrounding the relationship between extrinsic rewards and motivation is fragmented and inconsistent. Nonetheless, the point of this argument is that although there is a similar grounding between the constructs, rewards and motivation are distinct organisational concepts.

The need to explore extrinsic rewards in the workplace, particularly over the past decade has been highlighted by numerous authors. For example, Van Aswegen et al. (2008) argued that leaders who place their sole focus on motivating employees by means of extrinsic rewards often come across difficulties in sustaining a motivated workforce. Armstrong and Stephens (2005) articulated that extrinsic rewards, and more specifically pay, may help an organisation attract and retain employees. In terms of short-term benefits, these authors argue that tangible extrinsic rewards may help heighten levels of employee effort and reduce dissatisfaction.
Oriarewo et al. (2013) explored how job satisfaction and extrinsic rewards were related. Their results reveal that there is a positive significant relationship between these variables. The relationship between extrinsic rewards and employee performance has also been investigated. In particular, Aktar et al. (2012) found a positive significant relationship between extrinsic rewards and, particularly basic pay, and employee work performance. Extrinsic rewards have also been generally found to have a positive relationship with affective commitment (Burke, 2002; Malhorta et al., 2007).

2.2.2 Intrinsic rewards

Unlike extrinsic rewards, intrinsic rewards do not involve legal obligations and are internal to an individual (Byars & Rue, 2011). Intrinsic rewards are commonly defined as rewards that are obtained from an employee’s involvement in tasks and activities (Byars & Rue, 2011). In particular, intrinsic rewards are those rewards associated with personal and inner fulfilment that employees’ experience when they achieve something (Van Aswegen et al., 2008). They are intangible and self-generated in that they are psychological, positive and encompass an emotional work-related experience which individuals obtain from their work (Thomas, 2009).

According to Jacobs et al. (2014), intrinsic rewards have been categorised in different ways. Stumpf, Tymon, Favorito, and Smith (2013) argued that intrinsic rewards include meaningful work. In their framework of intrinsic rewards, Hafiza et al. (2011) proposed that intrinsic rewards drive employee motivation and include aspects such as: autonomy, recognition, appreciation, and tasks which prove challenging. Similarly, Özutkua (2012) articulated that intrinsic rewards consist of autonomy, challenge, responsibility and achievement, amongst others. A framework for quality job characteristics was proposed by
Westover (2012) who stated that these rewards encapsulate those non-material rewards which
give rise to job interest.

According to Thomas (2009), the changing motivational dynamics in the workplace have
increased the need for intrinsic rewards. He proposed that employees in contemporary
organisations need to be more self-managed. In this context, self-management is
conceptualised as those actions taken by employees where they are able to direct their own
work activities. As such, this encapsulates: having a sense of meaning, competence, progress,
and perceived choice in one’s work (Jacobs et al., 2014; Thomas, 2009). For the purpose of
this study, the focus of intrinsic rewards is based on any experience that provides an
employee with work that is meaningful and reaps interest and enjoyment. Furthermore,
intrinsic rewards include an employees’ perception of whether they have a sense of autonomy
in their jobs.

The first dimension to be included in this study is meaningfulness which is derived from
Thomas’s (2009) model of intrinsic rewards. A sense of meaningfulness refers to the roles,
tasks and duties that employees perform which forms part of a higher purpose and portrays
job worth (Jacobs et al., 2014; Thomas, 2009). The second dimension of intrinsic rewards to
be included in this study entails job interest and enjoyment as derived from the Self-
Determination Theory. As such, this theory is concerned with human motivation and
personality and holds that when people perceive themselves as competent and, experience a
sense of belonging and autonomy, they engage in self-determination. This allows them to
become intrinsically motivated towards pursuing their interests (Ryan & Deci, 2000). As
previously mentioned, intrinsic rewards entail a positive work-related experience.
Harackiewicz and Hulleman (2010) therefore defined interest as comprising of having
consideration for something; regarding it as important, and having positive feelings towards
it. Similarly, Crane (2010) articulated that having interest in a task (or job) entails being
energised and having an attraction towards work. On the other hand, enjoyment is defined by Tamborini, Bowman, Eden, Grizzard, and Organ (2010) as the response of experiencing pleasure towards something.

The final dimension deemed significant in the exploration of intrinsic rewards is a sense of autonomy. As such, a sense of autonomy can be conceptualised as the amount of choice and psychological freedom that an employee has when carrying out his or her job (Van den Broeck, Vansteenkiste, De Witte, Soenens, & Lens, 2010). Autonomy has further been defined as the degree to which employees are able to make decisions and feel trusted in carrying out their work efforts and performances (Zigarmi, Houson, Witt, & Diehl, 2011).

Owing to the changing nature of the workplace, there is an increasing need to study and explore the role that intrinsic rewards play within the workplace (Thomas, 2009). In a study conducted amongst call centre employees in Pakistan, it was found that intrinsic rewards have a significant influence on job satisfaction (Rafiq, Javed, Khan, & Ahmed, 2012). Intrinsic rewards are, however, not only important for job satisfaction but have a significant relationship with other job characteristics such as motivation (Ram & Prabhaker, 2011), work engagement (Jacobs et al., 2014), and work performance (Aktar et al., 2012).

2.2.3 Total rewards

Instead of rewarding employees solely through pay and benefits (extrinsic rewards), the concept of total rewards provides a holistic approach to viewing rewards that employees receive from engaging in the employment relationship (Nazir, Shah, & Zaman, 2012). As such, total reward strategies encapsulate the sum total of those financial, non-financial, intrinsic and extrinsic rewards which are made available to an organisation’s human resources (Armstrong & Stephens, 2005). Moreover, total rewards encapsulates all aspects of a job that employees perceive as valuable (WorldatWork, 2006). For the purpose of this
research study, total rewards are defined as the inclusion of all monetary and non-monetary returns (intrinsic and extrinsic rewards) that employees receive for investing their time, effort, energy, and talents in their work (Armstrong & Stephens, 2005; Hotz, 2014; WorldatWork, 2006).

Recently, the concept of total rewards has caught the attention of many scholars and as such has become an increasingly popular research topic (Jiang et al., 2009). From a talent perspective, total rewards strategies have been found to contribute towards attracting, motivating and retaining valuable talent in the workplace (WorldatWork, 2006). While Jiang et al. (2009) argued that total rewards have been used to improve organisational competitiveness in the rapidly changing global markets, other scholars have recognised that total rewards may be used as a strategy to enhance employee engagement (Hotz, 2014; WorldatWork, 2006).

A significant model that is often utilised by various scholars and human resource practitioners to explore and implement total rewards strategies within the workplace is the WorldatWork’s Total Rewards Model (Hotz, 2014). As depicted in figure 2.1, this model presents strategies useful for the attraction, motivation, retention, and engagement of workers (WorldatWork, 2006). In this first section of the model, total rewards are identified as operating within the broader and overall organisational and human resources strategy as well as in the business culture, which signifies that rewards are affected by external influences. In the second section, the total rewards strategy outlines six elements (namely, compensation, recognition and benefits, work-life effectiveness, management of performance, and development of talent) which define an organisation’s strategy for attracting, retaining, motivating and engaging employees. Moving into the third section, a value proposition is created for both the employee and the organisation whereby employees are satisfied, engaged and more productive in their dealings, and where the desired outcome of performance and
results are achieved through engaged workers (WorldatWork, 2006). The significance of highlighting this model is that it demonstrates that the total rewards strategy is useful in attracting, motivating and retaining employees. Further, through the use of these reward strategies, organisations are able to boost employee engagement.

**Figure 2.1**: WorldatWork Total Rewards Model (WorldatWork, 2006).

### 2.3 Workplace trust

As previously discussed, a focus on organisational reward systems and practices are important in the world of talent management, particularly when it comes to retaining a skilled workforce. Another important behavioural-related aspect which should not be overlooked in the retention of top talent is workplace trust (Enguene, 2015, Hytter, 2007). In the process of exploring, developing and nourishing the modern workforce, workplace trust is an important consideration in the talent management domain (Chitsaz-Isfahani & Boustani, 2014).

A commonly accepted definition of trust in literature has yet to be articulated (Bagrait & Hime, 2007; Bews & Martins, 2002). Although trust is conceptualised within the economics and sociology domains, a definition for what constitutes trust in recent industrial and organisational psychology has not yet been widely accepted (Bagrait & Hime, 2007). Mayer, Davis, and Schoorman (1995, p. 712) defined trust as “the willingness to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control the
other party”. Kreitner and Kinicki (1995, p. 342) defined trust as “a reciprocal faith in others intentions and behaviours” whilst O’Brien (2001) conceptualised trust as the assumption of having confidence in situational outcomes, which plays a significant role in sustaining relationships.

As a multidimensional construct, trust entails and comprises of three elements: namely, the belief that another individual can be relied upon (cognitive); the emotions felt during the process of trusting (affective); and the ability to reveal sensitive information to others (behavioural), (Schoorman et al., 2007; Van der Berg & Martins, 2013). In her literature review on trust management, Paliszkiewicz (2010) found that trust is an interpersonal construct (concerns individuals), is situational (is meaningful within a certain context or situation) and voluntary (cannot be forced). Additionally, this author argued that trust is conscious (the person is aware of it), time bound (develops over time), and not linear (trust may evolve and devolve when relationships are damaged). In psychological research, trust is regarded as an enduring trait which is measured through a dispositional construct referred to as the propensity to trust (Evans & Revelle, 2008). As such, this entails one’s willingness to rely and depend upon another party (Colquitt, Scott, & LePine, 2007).

Ferres, Connell, and Travaglione (2004) articulated that corporate forms of trust can be classified within three dimensions: namely, trust in the organisation, trust in management, and trust in co-workers. Bagraim and Hime (2007) stipulated that trust in the organisation constitutes a systems form of trust. Organisational trust thus entails the trust that an individual has in the company itself rather than in a particular person or group (Galford & Drapeau, 2002). In addition, they contended that organisational trust incorporates the perceptions that individuals possess regarding how well organisational processes work and whether that organisation portrays integrity or not. This form of trust thus comprises of the
perception that employees have concerning their organisation and whether they can trust the way in which their company operates and functions, holistically.

Trust in co-workers and in immediate management represent an interpersonal form of trust (Bagrain & Hime, 2007). Interpersonal trust is often regarded as the “hallmark of effective relationships” (Dirks, 1999, p. 3) or the ‘social glue’ of affiliations within an organisation (Abrams, Cross, Lesser, & Levin, 2003). To elaborate, interpersonal trust refers to the perception that an individual has regarding whether another person(s) can be trusted under a particular circumstance, either personally in their intentions, or in their attributes (Mcknight & Chervany, 2001). Additionally, it has been evidenced that interpersonal trust is (a) more prominent and solid within collectivistic cultures; (b) varies in situational contexts; (c) is enhanced when a person portrays a positive mood; (d) is influenced by neuropeptide oxytocin (a hormone associated with attachment and social interactions); and (e) is regarded as a cognitive state (Sellaro, Hommel, Kwaadsteniet, Van der Groep, & Colzato, 2014).

Within the interpersonal workplace trust domain, Galford and Drapeau (2002) maintained that trust in management refers to the personal and particular trust that employees have in their immediate manager. Trust in co-workers, on the other hand, refers to the trust that one has in his or her co-workers. Tan and Lim (2009) have further defined trust in co-workers as one’s vulnerability to co-workers’ actions when one has no control over these actions or behaviours. As such, effective teams often comprise of members who have trust in one another as well as in their leaders (Robbins, Judge, Odendaal, & Roodt, 2009).

Ample literature has identified the need to study trust within an organisational setting. As such, Six, Nooteboom, and Hoogendoorn (2010) argued that trust is an important aspect during change events and as such, provides one with the ability to support change. The dynamics of trust and the potential value thereof, can have a major influence on
organisational functioning and behaviour. For instance, O’Brien (2001) argued that commitment and acknowledgment shown to organisational objectives and company values by employees, with a high degree of trust, tend to display more diligence and higher levels of productivity and innovation. This was confirmed by Sonnenburg (1994) who articulated that higher levels of workplace trust may result in heightened employee productivity.

Trust is furthermore seen to uphold cooperation within the workplace as it allows for the encouragement of information sharing, enhanced relationships amongst individuals and/or teams, and enriches problem solving and conflict resolution (Six et al., 2010). Furthermore, Lyman (2003) contended that trust plays a crucial and supportive role in effective communication, collaboration across departments and within the hierarchical structure. Additionally, this author argued that trust is important to resolve workplace challenges and for employees to reap confidence in an organisation’s vision. Furthermore, another important consideration in the behavioural and management sciences domain is that previous studies have evidenced that workplace trust may lead to higher levels of work engagement amongst employees and managers (Engelbrecht, Heine, & Mahembe, 2014; Ferrin & Dirks, 2003; Hassan & Ahmed, 2011).

2.4 Work engagement

As previously mentioned, organisational rewards, workplace trust and work engagement are important aspects within the world of talent management. In addition to this, both organisational rewards and workplace trust have been found to lead to an increase in work engagement; a concept which has gained popularity in recent years (Ram & Prabhakar, 2011; Sundaray, 2011; Thirapatsakun, Kuntonbutr, & Mechinda, 2014). Although research as to what constitutes work engagement is still largely growing (Thirapatsakun et al., 2014), extensive research has been conducted within the psychological sub-fields (Geldenhuys,
Laba, & Venter, 2014). As a widely accepted definition, Schaufeli et al. (2002) defined work engagement as: “the positive, fulfilling, work-related state of mind that is characterized by vigour, dedication and absorption” (p. 74). This definition indicates that individuals who are engaged in their work exhibit high levels of energy, enthusiasm, and immersion in their work (Altunel, Kocak, & Cankir, 2015).

In particular, vigour refers to elevated energy levels, the willingness to invest effort in one’s work, one’s mental resilience and one’s determination when experiencing difficulties while dedication represents a sense of enthusiasm, admiration, pride, motivation and challenge (Schaufeli et al., 2002). Schaufeli and Bakker (2003) expressed vigour and dedication as the most important dimensions of work engagement. Absorption, on the other hand, is characterised by one being satisfied with and intricately involved in work, to the degree to which the individual encounters an optimal experience (Bell & Barkhuizen, 2011; Csikszentmihalyi, 1990). Langelaan, Bakker, Van Dooren, and Schaufeli (2006) proposed that absorption merely acts as an outcome of work engagement.

According to Rothmann and Jordaan (2006), employees who are engaged in their work are able to identify with, are inspired by, and demonstrate higher levels of productivity, efficiency and a sense of personal accomplishment in their work. Engaged employees thus persist with challenging and demanding tasks, go beyond expectations and take initiative (Holbeche & Matthews, 2012). Holbeche and Matthews (2012) further contended that work engagement is important within the working context as it helps to boost employee motivation, morale, job satisfaction and psychological wellbeing. On the other hand, employees who are not engaged (disengaged) in their work tend to depict less commitment and are more likely to leave their organisation or quit their jobs (Saks, 2006).
Research as to the significance of work engagement within the world of work has been studied vastly in terms of job characteristics. For example, Bakker, Schaufeli, Leiter, and Taris (2008) found that work engagement has a positive influence on both organisational turnover and job performance. In addition, research has ascertained that job resources, and in particular, job demands are often found to drive work engagement (Bakker et al., 2008). Research has also discovered a relationship between work engagement and commitment to organisations, where employees who are more engaged in their work are more likely to demonstrate heightened commitment to their place of work (Field & Buitendach, 2011; Jackson, Rothmann, & Vijver, 2006).

2.5 The relationship between organisational rewards and workplace trust

Although South African research surrounding the relationship between organisational rewards and workplace trust is infrequent and fragmented, a number of international researchers have explored this relationship. For example, Burke (2002) suggested that extrinsic rewards may assist employees in developing trust. Furthermore, Tzafrir (2005) argued that managers and other superiors are further likely and willing to increase compensation and incentive plans when they perceive their subordinates to be trustworthy.

The relationship between extrinsic rewards and workplace trust is, however, not always optimistic. Fehr and List (2004) conducted an experiment to determine the relationship between employee incentives and trust. This experiment revealed that employees can perceive incentives as either hostile (negatively; as a threat or punishment) or as kind (positively; incentives given out of sincerity). When employees perceived their incentives in a more negative light, they were found to have a more harmful and unfavourable influence on certain behaviours such as reduced workplace trust. Similarly, Brown, Gray, McHardy, and
Taylor (2014) argued that when organisations limit and reduce overtime pay, workplace trust is weakened.

The relationship between intrinsic rewards and workplace trust has also been explored. For example, in their study on self-determination in the workplace, Deci, Connell, and Ryan (1989) reported finding that when superiors and other managers were more supportive and encouraging of autonomy amongst workgroups, employees reported higher levels of trust within organisations. Although not technically a reward, but useful to measure intrinsic rewards, Osmani, Zaidi, and Nilashi (2014) argued that intrinsic motivation may lead to higher levels of trust within organisations. Additionally, in Thomas’s (2009) model of intrinsic rewards, as previously mentioned, he noted that trust is considered an important element which falls under the sense of choice dimension (which refers to one’s ability to choose how work is accomplished, what work activities will be performed, and a sense of ownership, independence and responsibility for work-related outcomes).

Ferrin and Dirks (2003) also studied the relationship between trust and rewards. Their results, in accordance with previous empirical evidence, revealed that organisational rewards may have a strong and predictable influence on interpersonal trust. They suggest that rewards can influence trust by means of altering employees’ perceptions about the motives of others and evaluate their behaviours based on reward structures. According to Philips (1997), organisational leaders, subordinates, and rewards play an imperative role in establishing a climate of workplace trust. As such, this author argued that when subordinates are perceived as trustworthy and valuable by their superiors, organisational leaders are more inclined to nourish and enhance their loyalty through the use of rewards. As previously mentioned, the influence of organisational rewards on trust is not only fragmented but limited. The investigation of this relationship is thus an area of research which needs further exploration, particularly within the South African context.
2.6 The relationship between organisational rewards and work engagement

A number of recent studies, both globally and locally, have investigated the relationship between organisational rewards and work engagement (Hulkko-Nyman et al., 2014; Jacobs et al., 2014; Masvaure et al., 2014). With regard to the relationship between extrinsic rewards and work engagement, promotion opportunities (Zhijian & Tianshu, 2013), fringe benefits (Yahya, Isa, & Johari., 2012), and perceived support (Sanhari, 2014) have all been found to have a positive relationship with work engagement. In accordance with Maslach, Schaufeli, and Leiter’s (2001) findings, appropriate rewards and recognition may lead to an increase in work engagement. Gill, Dugger, and Norton (2014) further confirmed that compensation has a strong, causal and statistically significant relationship with engagement. While much research has evidenced that extrinsic rewards lead to higher levels of work engagement, the Social Exchange Theory further supports this relationship. This theory holds that when employees receive rewards and recognition for their efforts exerted on a job, they will participate in a fair exchange through responding with increased work engagement (Gujral & Jain, 2013; Ram & Prabhakar, 2011; Waqas & Saleem, 2014).

In a South African study, Jacobs et al. (2014) found that when organisations provided employees with heightened intrinsic rewards, they were more engaged in their work. These results were consistent with those of Masvaure et al. (2014) who discovered that organisations whose employees were more intrinsically rewarded and driven demonstrated an increase in work engagement. In particular, intrinsic rewards and more specifically, psychological meaningfulness, were found to have a statistically strong relationship with employee engagement (May, Gilson, & Harter, 2004).

Roberts and Davenport (2002) articulated that a work environment which reaps more rewards for employees can lead to an increase in work engagement. This highlights that the
use of both intrinsic and extrinsic rewards (referred to as total rewards) may have the larger impact on employee work engagement as opposed to the use of these types of rewards separately. Additionally, Ram and Prabhakar (2011) found that through the use of both intrinsic and extrinsic rewards, employees were more engaged in their work. As such, in their study, a strong positive correlation was found between total rewards and work engagement. Furthermore, through conducting research on the WorldatWork Total Rewards Model, it has been evidenced that the use of total rewards may enhance employee engagement within organisations (WorldatWork, 2006).

Obicci’s (2015) research on the relationship between organisational rewards and work engagement revealed that both intrinsic and extrinsic rewards are able to predict work engagement, although, intrinsic rewards proved to be a stronger predictor. These authors also inferred from their findings that employees might be more inclined to be engaged in their work when they perceived their organisation to ‘care’ and provide support to them.

2.7 The relationship between workplace trust and work engagement

In a recent South African study, Engelbrecht et al. (2014) proposed that literature highlights a positive relationship between workplace trust and employee engagement. In particular, these authors found that workplace trust is a significant construct for work engagement and that employees’ confidence (trust) in their leaders is significant for experiencing a climate of trust as well the inclination to be more engaged in their work. As such, in their studies, both Ferrin and Dirks (2002) and Hassan and Ahmed (2011) found that there is a relationship between these variables and that interpersonal trust predicts work engagement.

Likewise, Ugwu, Onyishi, and Rodriguez-Sanchez (2014) discovered that workplace trust has a significantly and strong positive relationship with work engagement, with a correlation
coefficient of .64. Additionally, Chughtai and Buckley (2008) as well as Mone and London (2010) proposed that having a good degree of workplace trust can result in increased work engagement. Men (2015) confirmed this in his study in the United States, finding that the quality of employee-organisational relationships (including trust) positively influences employee engagement.

Further to the aforementioned literature, Costigan, Ilter, and Berman (1998) contended that when employees perceive their supervisors to be competent and supportive of them, they are more likely to trust their superiors when workplace issues do arise. Further to this, Chughtai and Buckley (2008) similarly argued that when employees have trust in their supervisors and acknowledge their contributions and support, they may approach their job tasks with a higher level of engagement.

2.8 Conceptual model

In light of the aforementioned problem statement, literature review and overall aims of the research study, figure 2.2 demonstrates the conceptual model with regard to exploring whether there is a relationship between organisational rewards, workplace trust and work engagement and additionally, to determine whether organisational rewards are able to predict workplace trust and work engagement.
**Figure 2.2**: Conceptual model for the relationship between organisational rewards, workplace trust and work engagement

### 2.9 Conclusion

The aim of this study is to explore the relationship between organisational rewards, workplace trust and work engagement amongst South African employees and to determine whether organisational rewards predict workplace trust and/or work engagement. This chapter outlined how the three key variables have been previously and theoretically conceptualised as well as the importance of studying them. Additionally, this chapter sought to identify previous empirically evidenced information relating to these three constructs. As indicated in the problem statement and evidenced in the literature, it was highlighted that the relationship between the variables should be further explored for the purpose of potentially heightening talent management and retention strategies in the workplace. In the next section, chapter 3, a discussion of the methodology and research design is provided. Procedures used to carry out the research study, obtain participants as well as the measuring instruments and statistical analyses used to achieve the research goals are outlined.
CHAPTER 3: METHOD

3.1 Introduction

In this chapter, the research design and method employed in this study are discussed. The research and sampling procedure as well as the participant demographics are outlined as well as the measuring instruments utilised and the statistical analyses used to analyse the data. Thereafter, ethical considerations pertaining to the study are described. In accordance with the characteristics of the research participants, insight is provided into their age, gender, race, home language, education level, years of experience, and job level.

3.2 Research objectives

The objective of this research study is to explore the impact of organisational rewards on workplace trust and work engagement. In particular, the relationship between organisational rewards, workplace trust and work engagement are investigated as well as whether intrinsic and/or extrinsic rewards predict workplace trust and work engagement. As indicated in chapter 1, previous research studies have explored this relationship, although fragmented and inconsistent findings were evidenced. Furthermore, it was found that organisational rewards may have an impact on workplace trust and work engagement. Therefore, it was important to investigate these objectives, particularly within the South African context where research findings are scarce and inconsistent.

In order to explore the relationship between the three key variables and to determine the impact of rewards on trust and engagement, several quantitative research questions will be asked. Based on the aforementioned problem statement of the study, the following research questions were asked and constructed:
Primary question

Is there a relationship between organisational rewards, workplace trust and work engagement?

Secondary questions

Do intrinsic rewards predict workplace trust and work engagement?

Do extrinsic rewards predict workplace trust and work engagement?

Do total rewards predict workplace trust and work engagement?

3.3 Research design

Employed in this study was a quantitative, exploratory, cross-sectional research design. More specifically, the study was exploratory in nature as it sought to explore the relationships between variables. To achieve the goals of this study, research was conducted at one point in time where data was collected by means of a cross-sectional survey design (Barkhuizen & Bennett, 2014). In order to obtain data from participants, self-completion paper and pencil-based questionnaires were administered to respondents. According to Bird and Dominey-Howes (2008), survey-based research carries the advantages of being cost effective, allows the researcher to cover and acquire participants in greater areas, and ensures participant anonymity.

3.3.1 Population and sample size

Owing to the nature of voluntary participation in the questionnaires, participants were chosen based on their convenience and willingness to participate. A total of 350 questionnaires were distributed to participants in various industries and sectors within the Gauteng region, out of which 290 questionnaires (83%) were returned. Thereafter, a data vetting process took place during which 251 questionnaires (72%) were found to be viable for
statistical analyses. Thirty nine cases (8%) were excluded from the total data set because of incomplete data provided and/or participants who had less than one year of working experience. Therefore, the final random sample consisted of 251 South African employees (N=251). In accordance with the aforementioned, to be included in the study and increase the validity of the results, participants must have had at least one full year of working experience, had completed grade 12, and be able to complete the questionnaire in English. Table 3.1 depicts the demographic and biographical characteristics of participants.

This study sought to comprehensively investigate the relationship between the key constructs amongst a multitude of employees who acquire rewards and returns for their efforts exerted in their jobs. As such, the intention of the study was to make the sample as representative as possible through obtaining a target group consisting of both men and women, participants of all ages, races and home languages as well as having a vast range of years of working experience and education level. The findings generated from the sample can, therefore, contribute towards research in a multitude of industries, sectors and disciplines.

3.3.2 Sampling procedure

In order to collect data from the participants, a non-probability convenience sampling procedure was utilised. According to Farrokhi and Mahmoudi-Hamidabad (2012), convenience sampling constitutes a non-random or non-probability sampling technique which is frequently utilised in research studies. It entails selecting participants from a target population based on the researcher’s convenience and access to participants (Ross, 2005). In addition, this sampling technique is used to select participants who are readily available to the researcher at the time of data collection (Zikmund, 2003). Advantages of utilising this
technique include that it is less expensive than other techniques, less time-consuming and easier to utilise when obtaining participants.

Table 3.1

*Participant demographic and biographical characteristics (N=251)*

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<td>.4</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>1</td>
<td>.4</td>
</tr>
<tr>
<td>Personnel and Industrial Relations</td>
<td>4</td>
<td>1.6</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>3</td>
<td>1.2</td>
</tr>
<tr>
<td>Real Estate and Housing</td>
<td>12</td>
<td>4.8</td>
</tr>
<tr>
<td>Retail</td>
<td>21</td>
<td>8.4</td>
</tr>
<tr>
<td>Sport</td>
<td>2</td>
<td>.8</td>
</tr>
<tr>
<td>Technology</td>
<td>19</td>
<td>7.6</td>
</tr>
<tr>
<td>Telecommunication</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Tourism and travel</td>
<td>4</td>
<td>1.6</td>
</tr>
<tr>
<td>Transportation</td>
<td>6</td>
<td>2.4</td>
</tr>
<tr>
<td>Other</td>
<td>28</td>
<td>11.2</td>
</tr>
<tr>
<td>Missing values</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 3.1 depicts the demographic and biographical characteristics of participants in the sample. The final sample consisted of 107 men (42.6%) and 144 women (57.4%). Their ages ranged between 17 and 72 years, with the majority of the participants falling into the 26 to 36 age category. The distribution with regard to ethnicity was Black (n = 55; 21.9%); Coloured (n = 16; 6.4%); Indian/Asian (n = 16; 6.4%); White (n = 163; 64.9%) and other (n = 1; .4%).
The distribution with regard to home language consisted predominantly of English participants \( (n = 107; 42.6\%) \), followed by Afrikaans \( (n = 82; 32.7\%) \) and Sotho languages \( (n = 26; 10.4\%) \). Regarding education, the majority of participants had a Grade 12 level education \( (n = 91; 36.3\%) \) followed by having a diploma/certificate \( (n = 64; 25.5\%) \) and a bachelor’s degree \( (n = 31; 12.4\%) \). In terms of working experience, the distribution was more or less equal representing 1 to 5 years’ experience \( (n = 61; 24.3\%) \); 5 to 10 years \( (n = 67; 26.7\%) \); 10 to 20 years \( (n = 60; 23.9\%) \) and 20+ years of working experience \( (n = 63; 25.1\%) \). With regard to the industry that participants were currently employed in, the sample demonstrated that the majority of participants worked in the aviation industry \( (n = 38; 15.1\%) \) followed by finance and insurance industries \( (n = 35; 13.9\%) \), and other industries \( (n = 28; 11.2\%) \).

### 3.3.3 Measuring instruments

The measuring instruments utilised to obtain data from participants were presented in a paper and pencil questionnaire format. As such, the questionnaires consisted of seven measuring instruments which consisted of five parts including demographic and biographical information, extrinsic rewards, intrinsic rewards, workplace trust, and work engagement. The scales are outlined below:

**Part A: Demographic and biographical information**

*Biographical questionnaire*: A biographical questionnaire was used to obtain relevant demographic information about participants. This questionnaire comprised of questions requiring respondents to indicate their age, gender, race, home language, education level, years of working experience, and the industry that they currently worked in.
Part B: Extrinsic rewards

*Job Satisfaction Survey (JSS)*: The JSS is designed to measure perceptions and attitudes regarding various aspects of an individual’s job (Spector, 1985). To measure perceptions about extrinsic rewards, four subscales comprising of four items each were selected from this instrument which included pay, promotion, fringe benefits and contingent rewards. Respondents were required to indicate their responses on a six-point Likert-type scale ranging from 1 (*disagree very much*) to 6 (*agree very much*). Examples of items include: ‘I feel I am being paid a fair amount for the work I do’, ‘I am satisfied with my chances for promotion’, ‘I am not satisfied with the benefits I receive’, and ‘When I do a good job, I receive the recognition for it that I should receive’ (Spector, 1985). Spector (1985) reported Cronbach alpha reliability coefficients of .91 for the overall scale and coefficients of .75, .73, .73, and .76 for the subscale scores, respectively. Within the South African research context, Lumley, Coetzee, Tladinyane and Ferreira (2011) reported satisfactory Cronbach alpha coefficients of .78, .78, .72, and .76 respectively.

Part C: Intrinsic rewards

*Intrinsic Motivation Inventory (IMI)*: The IMI is designed to measure participants’ subjective work-related experiences regarding intrinsic motivation on job tasks (McAuley, Duncan, & Tammen, 1989; Ryan, Mims, & Koestner, 1983). To measure participants’ subjective experiences relating to intrinsic rewards, the interest/enjoyment subscale was selected from this instrument. This subscale comprised of seven items which were measured using a seven-point Likert-type scale. Respondents were required to indicate their responses ranging from 1 (*not true at all*) to 7 (*very true*). An example of an item includes: ‘I enjoy doing this activity very much’ (Ryan et al., 1983). A previous study yielded a Cronbach alpha reliability coefficients of .78 (McAuley et al., 1989).
**Psychological Meaningfulness Scale (PMS):** The PMS is designed to assess psychological meaningfulness in the workplace (Spreitzer, 1995). It consists of six items which are averaged and measured on a five-point Likert-type scale and assess the degree to which individuals assign meaning to their job-related tasks. Responses range from 1 (*totally agree*) to 5 (*totally disagree*). Examples of items include: ‘The work I do on this job is worthwhile’, ‘My job activities are important to me’, and ‘I feel that the work I do on this job is valuable’ (Spreitzer, 1995). This scale has frequently been used within the South African context where acceptable Cronbach alpha coefficients have been reported. For instance, Williamson (2011) and Van Zyl, Deacon, and Rothmann (2009) reported a reliability coefficient of .85 while Rothmann and Hamukang’andu (2013) reported a Cronbach coefficient of .67.

**Basic Psychological Needs at Work Scale (BPNWS):** The BPNWS is designed to measure intrinsic need satisfaction in specific domains within one’s life (Deci & Ryan, 2000). In order to measure autonomy at work, the autonomy at work subscale was selected from this instrument. It consists of seven items which are measured on a seven-point Likert-type scale, with responses ranging from 1 (*not true at all*) to 7 (*very true*). Examples of items include: ‘I feel pressurised at work’, ‘When I am at work, I have to do what I am told’, and ‘My feelings are taken into consideration at work’ (Ryan & Deci, 2000). In their study, Deci, Ryan, Gagné, Leone, Usunov, and Kornazheva (2001) reported a Cronbach alpha coefficient of .85 for the autonomy at work subscale.

**Part D: Workplace trust**

**Workplace Trust Survey (WTS):** The WTS is designed to measure trust within organisations (Ferres, 2001). It consists of 36 items which measure three subscales: namely, trust in organisations, trust in co-workers, and trust in supervisors. These subscales comprise of 12 items each which are measured using a seven-point Likert-type scale. Respondents are
required to indicate their responses ranging from 1 (strongly disagree) to 7 (strongly agree).

Examples of items include: ‘I feel that information can be shared openly’, ‘I believe that my manager follows promises through with action’ and ‘I think that my co-workers act reliably from one moment to the next’ (Ferres, 2001). Previous studies have yielded Cronbach alpha reliability coefficients at between .90 and .97 in both the South African and Australian context (Ferres, 2001).

Part E: Work engagement

The Utrecht Work Engagement Scale (UWES - 17 item): The UWES is designed to measure work engagement (Schaufeli et al., 2002). It comprises of 17 items which measure vigour, dedication and absorption (the three subscales of work engagement). To rate the items, a seven-point Likert-type scale is used, with responses ranging from 0 (never) to 6 (always). Examples of items include: ‘At my work, I am bursting with energy’, ‘I find the work that I do full of meaning and purpose’, and ‘I am immersed in my work’ (Schaufeli & Bakker, 2003). Research has shown that the UWES has satisfactory reliability. For example, Cronbach alpha reliability coefficients have been reported at between .68 and .91 (Schaufeli et al., 2002). In a South Africa study, De Bruin, Hill, Henn, and Muller (2013) found reliability coefficients of .88, .91, and .85 for the subscales, respectively whilst a Nigerian study reported Cronbach alpha coefficients of .73, .79, and .70, respectively, and .85 for the overall scale (Ugwu et al., 2014).

3.3.4 Research procedure

In order to gain permission and access to the participants, various organisations were approached via electronic mail where the purpose, aims and objectives of this research study were explained. Once permission and access was granted in order to conduct research, a date was scheduled with the relevant organisational member to distribute the paper and pencil-
based questionnaires to the key participants in unmarked envelopes. Thereafter, it was requested that respondents complete the questionnaires within two weeks. Once the questionnaires were complete, participants placed them back into the envelopes and sealed them. The completed questionnaires were then handed back to the research team where the raw data was facilitated and transferred into Excel spreadsheets.

3.3.5 Ethical considerations

Ethical considerations of this research study were strictly maintained and adhered to. Ethical clearance and authorisation to administer the research questionnaires was granted by the Department of Industrial Psychology and People Management at the University of Johannesburg. Thereafter, it was ensured that participants were informed about voluntary participation, that they had the right to refuse involvement, withdraw from the study at any time, and that their anonymous responses would remain confidential. As such, no personal information was requested from respondents. Once participants had completed their questionnaires, they were placed into sealed envelopes ensuring the confidentiality of their responses. Importantly, all ethical guidelines were adhered to whereby the reporting of information was based on accurate data collected from participants. Furthermore, the research study strictly abided by both ethical guidelines and the University of Johannesburg’s policy on plagiarism.

3.3.6 Statistical analysis

The statistical analysis was carried out using SPSS version 22 (SPSS Inc., 2013). In order to analyse the data from the responses in the questionnaires, descriptive statistics (means, medians and standard deviations) and reliability tests utilising Cronbach alpha for each scale were used to determine internal consistency, validity and homogeneity of the measuring instruments. Pearson’s Product-Moment correlation was then conducted to investigate the
relationship between organisational rewards, workplace trust and work engagement.

Thereafter, a stepwise multiple regression analysis was carried out to explore whether intrinsic rewards, extrinsic rewards and/or total rewards predicted workplace trust and work engagement.

3.3.6.1 Descriptive statistics

Before the results were analysed, in accordance with the descriptive statistics, the dataset was inspected by identifying any missing values and outliers. In order to carry out the descriptive statistics, SPSS was used as a means to calculate the means, medians, standard deviations, skewness and kurtosis within the dataset. In particular, descriptive statistics were used to provide researchers with information which described the data (Watt & Van den Berg, 2002). In order to examine the distribution of the data (in terms of symmetry and peak), measures of skewness and kurtosis were utilised. According to Čisar and Čisar (2010), whilst skewness, in a given distribution, represents the degree of symmetry or lack of asymmetry around the mean, kurtosis, in comparison with a normal distribution, represents data which is peaked (scores which cluster around the mean) or flat (scores which are spread out and do not cluster around the mean). With regard to the cut-off values, scores must have been < 2 for skewness and < 4 for kurtosis (Finch & West, 1997).

3.3.6.2 Reliability (Cronbach alpha coefficient)

To determine how precise the measurement of the scores were, reliability was used to assess whether the instruments were able to measure consistently. According to Drost (2011), a typical method that researchers employ, especially within the behavioural sciences, is a measure of internal consistency. As a type of reliability, internal consistency determines the consistency of scores across items on a test (Tang, Cui, & Babenko, 2014). One such measure is the Cronbach’s alpha coefficient (Cronbach, 1951). As a measure employed in this study,
the Cronbach alpha coefficient is depicted as a figure between 0 and 1 (Tavakol & Dennick, 2011) and is typically accepted at > .7 within the research domain (Christmann & Van Aelst, 2006). For the purpose of this study, the reliability analysis includes calculating Cronbach alpha (α) coefficients for the JSS, IMI, PMS, BPNWS, WTS and UWES scales.

3.3.6.3 Pearson’s Product-Moment correlation coefficient

The Pearson Product-Moment correlation coefficient is a popular statistical and research measure used to explore and calculate the relationship (correlation) between variables. According to Goodwin and Leech (2006), this correlation coefficient describes the linear relationship between two continuous variables in terms of size and direction. Values range between – 1 (negative relationship) to + 1 (positive relationship). For the purpose of this study, Pearson’s correlation was used to determine and calculate the relationship between the three key variables. In accordance with the statistical significance, the acceptable score was set at a 95% confidence interval (p < .05), which served as the cut-off value. With regard to the practical significance, the cut-off scores were set at .1 (small effect), .3 (medium effect) and .5 (large effect), (Cohen, 1988).

3.3.6.4 Multiple regression analysis

In order to explore the relationship, with regard to determining whether organisational rewards predict workplace trust and work engagement, a multiple regression analysis was carried out. According to Guerard (2013), in regression analysis the researcher seeks to explore, measure and calculate the statistical association between independent and dependent variables (X and Y). Crawford (2006) articulates that, in multiple regression analysis, the researcher aims to explore how a number of (multiple) independent variables are associated with a dependent variable for the purpose of making predictions.
3.3.6.4.1 Stepwise multiple regression analysis

In particular, a stepwise multiple regression analysis was carried out. According to Mundry and Nunn (2009), stepwise regression is a popular and widespread statistical technique used within behavioural research. These authors further articulate that researchers include statistically significant independent variables to enter into the regression model. Kadane and Lazar (2004) contend that this method is a systematic way of entering statistically significant variables and/or removing non-statistically significant variables from the model at a certain stage in the process.

Accounted for in this research study were the assumptions of multiple regression. The concerns identified for researchers include homoscedasticity and multicollinearity. Whilst homoscedasticity occurs when the error term variance around the regression line is constant or the same for the predicted responses, multicollinearity is evident when the independent variables (predictors) are substantially correlated with the other independent or predictor variables (Kahane, 2008). In a multiple regression analyses, multicollinearity may lead to inflated standard error of estimates on the β value and influence regression weights magnitude, often making results misleading and difficult for the researcher to interpret (Adeboye, Fagoyinbo, & Olatayo, 2014). In addition, multicollinearity will be evident when the independent variables are highly correlated (above r = >.9) (Pallant, 2016).

Once the assumptions of multiple regression were investigated and it was ensured that none of them were violated, organisational rewards, which served as the independent variables (intrinsic and extrinsic rewards), were calculated to determine whether they were able to predict the other variables (workplace trust and work engagement) at \( p < .05 \) (indicating statistical significance). This statistically significant cut-off value was used as part of the stepwise regression analyses criteria to determine whether intrinsic and/or extrinsic...
rewards could be entered into the regression model. As such, intrinsic and extrinsic rewards were entered into the model separately to determine the statistical significance. They were then entered collectively (as total rewards) to determine which type of reward (intrinsic and/or extrinsic rewards) was a more statistically significant predictor of workplace trust and work engagement.

Thereafter, based on the adjusted R square value, the researcher explored whether total rewards were able to predict workplace trust and work engagement.

3.4 Conclusion

This chapter outlined and described the research design and methodology which encapsulated the procedures used to select participants and carry out the research. Additionally, the measuring instruments and statistical analyses were discussed while consideration was given to the ethical features. The following section (chapter 4) includes an in-depth analysis of the results found in this study.
CHAPTER 4: RESULTS

4.1 Introduction

In this chapter, the results from the statistical analyses are discussed and presented in tabular format. First, a table summarising the descriptive statistics (means, standard deviations, alpha coefficients, skewness and kurtosis) of each scale is provided. Thereafter, the Pearson Product-Moment correlation coefficients are presented, followed by a table and discussion highlighting the results from the multiple regression analysis.

4.2 Results

In order to conduct the statistical analyses, the pay, promotion, fringe benefits and contingent rewards subscales from the JSS were utilised to measure extrinsic rewards whereas the interest/enjoyment, psychological meaningfulness, and autonomy subscales were utilised to measure intrinsic rewards from the IMI, PMS, and BPNWS, respectively. In order to measure workplace trust, the WTS was utilised whilst work engagement was measured using the UWES. Regarding scaling instruction by the various authors of these scales, items 2, 4, 7, 11, 13, 17, 20, and 22 from the JSS were reversed scored (Spector, 1985). In accordance with the intrinsic reward subscales, items 5 and 7 from the IMI (Ryan et al., 1983), and items 2, 4 and 7 from the BPNWS (Ryan & Deci., 2000) were also reversed scored.

In order to carry out the statistical analysis on the scales as a whole, a composite scoring technique was employed. According to Landau and Everitt (2004), statistical software programmes such as SPSS are useful within behavioural and psychological research where data can be easily manipulated. In this way, participants’ responses from multiple but related subscales were gathered and combined to calculate relevant information of the broader
construct. This involved calculating unit-weighted composite scores where the items from the relevant subscales were added together, producing equally weighted items.

Although the purpose of this study was to explore organisational rewards, workplace trust and work engagement from a more broad and holistic perspective, results from the subscales were analysed in order to ensure the soundness and psychometric properties underlying the measuring instruments.

4.2.1 Descriptive statistics

In order to determine whether the data was distributed normally and to provide more information on the different scales and instruments used, descriptive statistics were executed. The results are evidenced in Table 4.1.
Table 4.1

*Descriptive Statistics of the organisational rewards, workplace trust and work engagement scales*

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>3.42</td>
<td>1.58</td>
<td>.05</td>
<td>-.40</td>
<td>.70</td>
</tr>
<tr>
<td>Promotion</td>
<td>3.43</td>
<td>1.53</td>
<td>.08</td>
<td>-3.36</td>
<td>.62</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>3.58</td>
<td>1.58</td>
<td>.23</td>
<td>-.29</td>
<td>.61</td>
</tr>
<tr>
<td>Contingent rewards</td>
<td>3.66</td>
<td>1.57</td>
<td>-.03</td>
<td>-.19</td>
<td>.59</td>
</tr>
<tr>
<td>Interest/enjoyment</td>
<td>5.33</td>
<td>1.58</td>
<td>-.41</td>
<td>-.49</td>
<td>.84</td>
</tr>
<tr>
<td>Psychological meaningfulness</td>
<td>1.97</td>
<td>.98</td>
<td>-.95</td>
<td>1.17</td>
<td>.93</td>
</tr>
<tr>
<td>Autonomy</td>
<td>3.43</td>
<td>1.24</td>
<td>-.13</td>
<td>-.13</td>
<td>.66</td>
</tr>
<tr>
<td>Trust in organisations</td>
<td>4.70</td>
<td>1.73</td>
<td>-.32</td>
<td>-.60</td>
<td>.95</td>
</tr>
<tr>
<td>Trust in supervisors</td>
<td>4.95</td>
<td>1.71</td>
<td>-.68</td>
<td>-.02</td>
<td>.95</td>
</tr>
<tr>
<td>Trust in co-workers</td>
<td>4.84</td>
<td>1.59</td>
<td>-.75</td>
<td>.26</td>
<td>.96</td>
</tr>
<tr>
<td>Work engagement</td>
<td>4.29</td>
<td>1.54</td>
<td>-.60</td>
<td>.06</td>
<td>.93</td>
</tr>
<tr>
<td>Total extrinsic rewards</td>
<td>3.52</td>
<td>1.57</td>
<td>.28</td>
<td>-.10</td>
<td>.82</td>
</tr>
<tr>
<td>Total intrinsic rewards</td>
<td>3.58</td>
<td>1.27</td>
<td>-.03</td>
<td>.12</td>
<td>.65</td>
</tr>
<tr>
<td>Total rewards</td>
<td>3.55</td>
<td>1.42</td>
<td>.26</td>
<td>-.02</td>
<td>.81</td>
</tr>
<tr>
<td>Total trust</td>
<td>4.83</td>
<td>1.68</td>
<td>-.36</td>
<td>-.41</td>
<td>.96</td>
</tr>
</tbody>
</table>

Through analysing the results, this exploratory study allowed the researchers to gain insight and understanding into how organisational rewards, workplace trust and work engagement interact within an occupational context. As such, the mean scores for the scales (pay, promotion, fringe benefits, contingent rewards, interest/enjoyment, psychological
meaningfulness, autonomy, trust in organisations, trust in co-workers, trust in supervisors, and work engagement) used to measure the constructs ranged between 1.97 and 5.33 while the standard deviations ranged between .98 and 1.73. Regarding the total composite scales (total extrinsic rewards, total intrinsic rewards, total rewards, and total trust), the mean scores ranged between 3.52 and 4.83 whilst the standard deviations ranged between 1.27 and 1.68. Furthermore, the scales all fell well within the generally acceptable range of < 2 and < 4 and as such, were all normally distributed.

Table 4.1 further depicts the alpha coefficients for the scales utilised to measure extrinsic rewards, intrinsic rewards, total rewards, workplace trust and work engagement. Most of the scales were found to be satisfactory in accordance with the guideline of > .70 (Nunnally & Bernstein, 1994). The highest reliabilities among the scales included trust in organisations (α = .95), trust in supervisors (α = .95), and trust in co-workers (α = .96) followed by psychological meaningfulness (α = .93). The scales which produced the lowest reliabilities included contingent rewards (α = .59), fringe benefits (α = .61) and promotion (α = .62).

4.2.2 Correlation analysis

In order to explore and answer the primary question of this research study to determine whether there is a relationship between organisational rewards, workplace trust and work engagement, Pearson’s Product-Moment correlations were calculated. The results can be seen in Table 4.2.
Table 4.2

*Correlation coefficients of organisational rewards, workplace trust and work engagement*

<table>
<thead>
<tr>
<th>Item</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Extrinsic rewards</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Intrinsic rewards</td>
<td></td>
<td>.42**aa</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>3. Total rewards</td>
<td></td>
<td>.90**aaa</td>
<td>.77**aaa</td>
<td>1.00</td>
</tr>
<tr>
<td>4. Workplace trust</td>
<td></td>
<td>.68**aaa</td>
<td>.46**aa</td>
<td>.69**aaa</td>
</tr>
<tr>
<td>5. Work engagement</td>
<td></td>
<td>.34**aa</td>
<td>.53**aaa</td>
<td>.50**aaa</td>
</tr>
</tbody>
</table>

** Statistically significant correlation $p < .01$

ª Practically significant small correlation $r > .10$

ªª Practically significant medium correlation $r > .30$

ªªª Practically significant large correlation $r > .50$

The results indicated that extrinsic rewards have a statistically and practically significant relationship with intrinsic rewards ($r = .42; p < .01; \text{ medium effect}$), total rewards ($r = .90; p < .01; \text{ large effect}$), workplace trust ($r = .68; p < .01; \text{ large effect}$), and work engagement ($r = .34; p < .01; \text{ medium effect}$). It was further found that intrinsic rewards have a statistically and practically significant relationship with total rewards ($r = .77; p < .01; \text{ large effect}$), workplace trust ($r = .46; p < .01; \text{ medium effect}$) and work engagement ($r = .53; p < .01; \text{ large effect}$) whereas total rewards have a statistically and practically significant relationship with workplace trust ($r = .69; p < .01; \text{ large effect}$) and work engagement ($r = .50; p < .01; \text{ large effect}$). A similar correlation to this was found where workplace trust produced a statistically and practically significant relationship with work engagement ($r = .52; p < .01; \text{ large effect}$).
Although the correlation coefficient for total rewards was reported at .90, no correlation coefficients were found to exceed .90. Therefore, no significant multicollinearity with regards to the variables under exploration were evident.

4.2.3 Multiple regression analysis

In order to explore and answer the secondary question of this research study on whether intrinsic and extrinsic rewards can predict workplace trust and work engagement, multiple regression analysis was executed. Table 4.3 and 4.4 depict the main effects of intrinsic rewards, extrinsic rewards, and total rewards on workplace trust and work engagement, respectively.
Table 4.3

Multiple regression of workplace trust as the dependent variable and intrinsic rewards, extrinsic rewards and total rewards as independent variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardised coefficient</th>
<th>Standardised coefficient</th>
<th>t</th>
<th>P</th>
<th>F</th>
<th>R</th>
<th>R²</th>
<th>Δ R²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>SE</td>
<td>Beta</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>17.35</td>
<td>19.69</td>
<td>.88</td>
<td>.40</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic rewards</td>
<td>2.14</td>
<td>.27</td>
<td>.46</td>
<td>8.02</td>
<td>.00**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>-11.36</td>
<td>15.95</td>
<td>-.71</td>
<td>.48</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic rewards</td>
<td>.99</td>
<td>.24</td>
<td>.21</td>
<td>4.20</td>
<td>.00**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extrinsic rewards</td>
<td>1.90</td>
<td>.16</td>
<td>.59</td>
<td>11.69</td>
<td>.00**</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Statistically Significant p < .05**

Table 4.3 illustrates the regression analysis with extrinsic rewards, intrinsic rewards, and total rewards as predictors of workplace trust. Intrinsic rewards was entered in step 1, explaining 21% of the variance in workplace trust. In addition, intrinsic rewards evidenced to be a statistically significant predictor of workplace trust. Thereafter, extrinsic rewards was entered in step 2, explaining 49% of the variance in the total model (F(2,241) = 118.41, p < .001). The model thus demonstrated that extrinsic rewards was also a statistically significant predictor of workplace trust where the change in variance is 28%. Regarding total rewards as a predictor of workplace trust, this variable was excluded from the rest of the analysis as it did not explain any additional variance.
Table 4.4

Multiple regression of work engagement as the dependent variable and intrinsic rewards, extrinsic rewards and total rewards as the independent variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardised coefficient</th>
<th>Standardised coefficient</th>
<th>t</th>
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<tr>
<td>Constant</td>
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<td>7.58</td>
<td>-.12</td>
<td>.90</td>
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<tr>
<td>Intrinsic rewards</td>
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<td>.10</td>
<td>.53</td>
<td>9.79</td>
<td>.00**</td>
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<td>.47</td>
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<td>.00**</td>
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<tr>
<td>Extrinsic rewards</td>
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<td>.14</td>
<td>2.32</td>
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**Statistically Significant p < .05

Table 4.4 illustrates the regression analysis with intrinsic rewards, extrinsic rewards, and total rewards as predictors of work engagement. Intrinsic rewards was entered in step 1, explaining 28% of the variance in work engagement. In addition, intrinsic rewards evidenced to be a statistically significant predictor of work engagement. Thereafter, extrinsic rewards was entered in Step 2, explaining 29% of the variance of the total model ($F_{(2,241)} = 51.44, p < .001$). The model thus demonstrated that extrinsic rewards was also a statistically significant predictor of work engagement where the change in variance is 1%. Regarding total rewards as a predictor of work engagement, this variable was excluded from the rest of the analysis as it did not explain any additional variance.
4.3 Conclusion

This chapter outlined the results of this research study. As such, the results of the statistical analyses were presented in tabular format and discussed. Descriptive statistics, reliabilities, correlations, and multiple regressions in terms of organisational rewards, workplace trust and work engagement were presented. In the next section (chapter 5), a discussion will provide a more in-depth explanation of the possibilities for obtaining these results.
CHAPTER 5: DISCUSSION

5.1 Introduction

This chapter encompasses a detailed articulation of the integrated findings across the introduction, literature review, research approach and results sections. In particular, this chapter discusses the findings pertaining to the research objectives as outlined in chapter 2 and in relation to previous research to determine whether the results of this study align with former research findings. This chapter furthermore provides the overall conclusions of the study.

5.2 Discussion

In chapter 4, the results were presented and discussed which signified the importance of exploring organisational rewards, workplace trust and work engagement. In particular, the exploration of these variables can potentially prove useful to behavioural practitioners who can utilise the results generated to enhance awareness of how organisations can potentially maximise their current talent management strategies. More so, this can be valuable to organisations when attracting and retaining highly valued employees. Chapter 2 (literature review) provided a comprehensive and in-depth overview of the significance of understanding these constructs as well as an indication of the various types of rewards that employees receive for investing their time and efforts in the workplace namely, extrinsic, intrinsic and total rewards (Armstrong & Stephens, 2005; Byars & Rue, 2011; Nazir et al., 2012; Nujjoo & Meyer, 2012; Van Aswegen et al., 2009; Weatherly, 2002; Wilson & Eckel, 2003; WorldatWork, 2006). The reasons for utilising such rewards were highlighted as significant in the exploration of workplace trust (Burke, 2002; Deci et al., 1989; Fehr & List, 2004; Ferrin & Dirks, 2003; Tzafrir, 2005) and work engagement (Hulkko-Nyman et al.,
Regarding the overall aims, this research study sought to explore the relationship between organisational rewards, workplace trust and work engagement within the South African employment context. This study further sought to determine whether intrinsic and/or extrinsic organisational rewards were able to predict workplace trust and work engagement. In order to explore these research objectives, 251 South African employees from various industries and sectors within the Gauteng region formed part of the sample. In order to generate results, raw data underwent statistical analyses.

The research results in accordance with the primary and secondary objectives, the research questions and previous research findings encapsulate what follows:

5.2.1 The relationship between organisational rewards, workplace trust and work engagement

The primary objective of this study was to determine whether there is a relationship between organisational rewards, workplace trust and work engagement. In order to test these relationships, the scales as a whole with regard to extrinsic rewards, intrinsic rewards, total rewards, workplace trust and work engagement were correlated using the Pearson’s Product-Moment correlation coefficient. When the results were analysed, the effect sizes as well as levels of significance at $p < .05$ were taken into consideration.

5.2.1.1 The relationship between organisational rewards and workplace trust

As previously mentioned and as evidenced in the literature, the relationship between organisational rewards and workplace trust has not been explicitly explored and as such, existing findings remain scarce and fragmented. In this study, the results revealed that the relationship between extrinsic rewards and workplace trust produced a large effect correlation
of .68. When the correlation between intrinsic rewards and workplace trust was examined, it was found that a medium effect correlation persisted at .46. Regarding the correlation between total rewards and workplace trust, it was found that a large effect correlation persisted at .69. As such, the results indicate that the relationship between both intrinsic and extrinsic rewards as well as total rewards and workplace trust was statistically significant, which answers the first research question, that indeed a moderate to strong relationship exists between these variables. This is an encouraging result indicating that organisations can utilise their reward structures to improve employee trust and work engagement, and ultimately, have a positive effect on other outcomes such as productivity, performance, organisational commitment and job satisfaction.

As outlined in the literature review, various authors support the idea that organisational rewards are related to workplace trust; however, these findings focus mainly on this relationship regarding predictor and response variables. It can be inferred that these findings support previous arguments, assumptions, and propositions made by various authors who suggest that there is a relationship between organisational rewards and workplace trust (Burke, 2002; Fehr & List, 2004; Ferrin & Dirks, 2003; Gneezy, Meier, & Rey-Biel, 2011; Tzafrir, 2005).

As evidenced by the results, this implies that higher levels of organisational rewards (intrinsic, extrinsic, or both) imply a higher degree of workplace trust. A potential explanation of this finding is that organisations that promote a high trust climate are more likely to reward employee effort on the job through the use of intrinsic and/or extrinsic rewards. In particular, organisational leaders who trust their subordinates may be more likely to perceive them as valuable and as such, take measures to nurture and develop their loyalty (Philips, 1997). Developing and nurturing employee loyalty may be generated intrinsically (for example, through providing employees with meaningful work, autonomy, and tasks.
which reap interest/enjoyment) and/or extrinsically (for example, through providing employees with recognition and through rewarding exceptional performance by means of increasing pay, promoting employees, and providing them with higher levels of fringe and contingent rewards, amongst others). Another possible explanation of this relationship may be that employees who have high levels of trust in their supervisors, co-workers and/or organisation, may be more productive (Sonnenburg, 1994). This can further signify higher extrinsic rewards (such as pay increases) as a result of heightened productivity and being appraised on a performance basis (Njanja et al., 2013). This finding signifies that future research can aim to explore the relationship between workplace trust and productivity.

5.2.1.2 The relationship between organisational rewards and work engagement

Recently, researchers both on a global and local scale, have explored the relationship between organisational rewards and work engagement (Hotz, 2014; Hulkko-Nyman et al., 2014; Jacobs et al., 2014; Maslach et al., 2001; May et al., 2014; Ram & Prabhakar, 2011; Rothmann & Rothmann, 2010; Schaufeli & Bakker, 2003; Thomas, 2009; WorldatWork, 2006; Yahya et al., 2012; Zhijian & Tianshu, 2013). The findings in this study demonstrated that different types of organisational rewards have a statistically and practically positive relationship with work engagement. In particular, the correlation analysis results concerning extrinsic rewards and work engagement revealed that a medium correlation effect persisted at .34. Therefore, the findings in this particular study indicated that the relationship between extrinsic rewards and work engagement was statistically significant. This finding is in support of previous empirical evidence where a number of authors have demonstrated that extrinsic rewards have a positive and statistically significant relationship with work engagement (Maslach et al., 2001; Yahya et al., 2012; Zhijian & Tianshu, 2013).
In accordance with the relationship between intrinsic rewards and work engagement, it was found that a large effect correlation persisted at .53. Therefore, based on this analysis, the relationship between intrinsic rewards and work engagement was statistically significant. This finding was expected and is supported by the work carried out by a number of authors who observe a statistically significant correlation between intrinsic rewards and work engagement (Jacobs et al., 2014; May et al., 2014; Rothmann & Rothmann, 2010; Schaufeli & Bakker, 2003; Thomas, 2009).

With regard to the correlation between total rewards and work engagement, it was found that a large correlation effect persisted at .50. This means that the relationship between total rewards and work engagement was statistically significant. As such, this finding is in support of previous research that a rewarding work environment (consisting of intrinsic and extrinsic rewards) is positively correlated with work engagement (Hotz, 2014; Ram & Prabhakar, 2011; WorldatWork, 2006).

As a result of these findings, it can be potentially inferred that the higher the organisational reward (intrinsic and/or extrinsic), the more engaged employees will be in their work. An interesting finding, in accordance with these relationships was that intrinsic rewards produced the highest correlation with regard to work engagement. In accordance with Schaufeli and Bakker’s (2003) findings, when employees are provided with higher levels of intrinsic rewards, they tend to exert more effort, dedication and involvement in their work. Furthermore, these findings align with the suggestion provided by Thomas (2009) who articulates that although extrinsic rewards are important for work engagement, employees are nowadays more intrinsically driven.
5.2.1.3 The relationship between workplace trust and work engagement

As outlined in the literature review, many authors support the idea that workplace trust and work engagement are related (Chughtai & Buckley, 2008; Engelbrecht et al., 2014; Ferrin & Dirks, 2002; Hassan & Ahmed, 2011; Men, 2015; Ugwu et al., 2014). The findings in this particular study revealed that workplace trust has a statistically and practically significant positive relationship with work engagement. In particular, the correlation analysis results concerning workplace trust and work engagement revealed that a correlation persists at .52, indicating that this relationship has a large effect size.

Although previous research has focused much on the relationship between interpersonal trust and work engagement, this finding aligns with and supports previous research and claims made by numerous authors (Chughtai & Buckley, 2008; Engelbrecht et al., 2014; Hassan & Ahmed, 2011; Wong et al., 2010). Mone and London (2010) suggested that a higher organisational trust climate is important for employee engagement. Similarly, the findings generated from this study suggested that the higher employees’ level of workplace trust, the higher their level of engagement in their work would be. In order to expand on this relationship, Chughtai and Buckley (2008) posited that individuals who experience a trusting work climate are more likely to be engaged in their work. This may be due to employees perceiving that there are additional resources (such as support and instrumental assistance available to them) which they could potentially draw upon when needed. For example, when employees perceive their superiors to maintain and demonstrate competence, they are likely to possess higher levels of trust, confidence in and reliance on them when and/or if job-related challenges do arise (Costigan et al., 1998). As such, employees will be under the perception that they are equipped with resources necessary to carry out their job tasks and activities at work, which may signify approaching their work with a higher degree of engagement (Chughtai & Buckley, 2008). This highlights that potential future research can
explore the influence that various types of other job characteristics (such as work resources) may have on the relationship between workplace trust and work engagement.

5.2.2 Organisational rewards as predictors of workplace trust and work engagement

With regards to the secondary aim of this research study, a multiple regression analysis was carried out to explore the predictive significance of organisational rewards on workplace trust and work engagement. In order to test this relationship, the scales as a whole concerning extrinsic rewards, intrinsic rewards, total rewards, workplace trust and work engagement were analysed. Upon analysis, the levels of significance at \( p < .05 \) were taken into consideration.

5.2.2.1 Do organisational rewards predict workplace trust?

The results of the multiple regression analysis revealed that intrinsic rewards are statistically significant predictors of workplace trust. In particular, intrinsic rewards explained 21% of the variance in workplace trust. Interestingly enough, when extrinsic rewards were added to the regression model, it was evidenced that this variable, in accordance with intrinsic rewards, are statistically significant predictors of workplace trust. When extrinsic rewards were added to the model, the variance increased by 28%, evidencing that intrinsic and extrinsic rewards, taken together, predict 49% of workplace trust. This indicates that the remaining 51% is explained by other factors.

Total rewards was also added to the model, but excluded because it did not explain any additional variance. In light of previous literature findings, various researchers support the idea that organisational rewards impact on and influence workplace trust (Burke, 2002; Deci et al., 1989; Fehr & List, 2004; Ferrin & Dirks, 2003; Gneezy et al., 2011; Tzafrir, 2005). In particular, Deci et al. (1989) found that when superiors were more supportive of intrinsic rewards and more specifically, autonomy, trust amongst employees were heightened in
organisations. Burke (2002) confirmed the findings in terms of extrinsic rewards, positing that these rewards may assist employees in developing trust. In contrast, Brown et al. (2014) ascertained that limiting overtime pay can weaken workplace trust. From a leadership perspective, Tzafrir (2005) found that when superiors perceived their subordinates to be trustworthy, they were willing and thus, more likely to increase employee compensation and incentive plans. From an employee perspective, Fehr and List (2004) found that if employees perceive their extrinsic rewards in a more negative light, their incentives may reap a negative influence on certain behaviours, one of them being a decline in trust. From this finding, it can be potentially inferred that when employees perceive their extrinsic rewards in a more optimistic light, a positive influence on trust can be generated. For example, when employees are satisfied with extrinsic rewards, they are more likely to have trust in their managers/supervisors, co-workers, and organisation, as a whole. In line with this finding, Gneezy et al. (2011) supports this through arguing that explicit incentives and extrinsic rewards can be indicative of either trust or distrust (a partial or complete lack of workplace trust).

In accordance with the results obtained in this study and the findings produced by various researchers, organisational rewards do predict workplace trust. In line with this, Ferrin and Dirks (2003) observed that organisational rewards can have a strong and predictable influence on workplace trust and in particular, interpersonal trust. In addition, these authors argued that rewards can influence trust by means of altering an employee’s perception about the motives of others (such as their managers) and subsequently, evaluate their behaviours based on reward offerings.
5.2.2.2 Do organisational rewards predict work engagement?

The final objective of this study was to explore and determine whether organisational rewards were able to predict work engagement. The results of a multiple regression analysis to test this relationship demonstrated that intrinsic rewards are statistically significant predictors of work engagement. In particular, intrinsic rewards explained 28% of the variance in work engagement. When extrinsic rewards were added to the regression model, it was evidenced that this variable, in accordance with intrinsic rewards, is a statistically significant predictor of work engagement, although the variance only increased by 1%. Nonetheless, intrinsic and extrinsic rewards, taken together, are statistically significant predictors of work engagement. This indicates that the remaining 71% is explained by other factors.

In accordance with previous findings, many authors agree that organisational rewards can predict work engagement (Gujral & Jain, 2013; Maslach et al., 2001; May et al., 2004; Ram & Prabhakar, 2011; Roberts & Davenport, 2002; WorldatWork, 2006). In a study on this relationship, Obicci’s (2015) findings produced a similar result (intrinsic rewards are better predictors of work engagement than are extrinsic rewards however, taken together, they explain substantial variation in work engagement). This suggests that employees are more inclined to be engaged in their work when placing higher value on intrinsic rewards. This further indicates that employees engage more when they perceive and feel that that the organisation values and ‘cares’ about them at work through offering employee rewards which are more psychological in nature (Obicci, 2015; Ozütoku, 2012; Silverman, 2004).

In terms of extrinsic rewards, a plausible explanation for this finding is that employees who feel rewarded and recognised for their efforts, may feel more satisfied and therefore, exert more effort and engagement in their work (Waqas & Saleem, 2014). The Social Exchange Theory supports this result which holds that when employees are rewarded for
their work efforts, they participate in an exchange of providing their organisation with increased work engagement (Gujral & Jain, 2013). In light of both rewards, a rewarding work environment can help employees be more engaged at work (Roberts & Davenport, 2002).

5.3 Conclusion

This chapter entailed a comprehensive outline of the results found in this particular study. The findings were discussed in accordance with the research objectives as well as previous research. The findings of this chapter signify that there is a relationship between organisational rewards, workplace trust and work engagement. Additionally, it was found that both intrinsic and extrinsic rewards were able to predict workplace trust and work engagement. A key contribution that this study made was that significant new findings were potentially discovered in that organisational rewards and workplace trust do significantly and positively correlate.
CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

Based on the objectives, review of the literature, research design, findings and discussion, this section (chapter 6) provides a synopsis and conclusion to the overall study. Limitations as well as recommendations for future research are further highlighted. Following this, insight is provided into the practical implications as well as the value that this study may potentially hold for organisations.

6.2 Summary and conclusion

The key objective of this study was to determine whether there is a relationship between organisational rewards, workplace trust, and work engagement. In addition, the study sought to determine whether organisational rewards were able to predict workplace trust and work engagement. While organisational rewards refer to those tangible, non-tangible, and psychological rewards which employees receive for conducting their work, workplace trust refers to the confidence that employees have in their supervisors, co-workers, and their organisation as a whole. The third construct explored was work engagement which refers to the degree of vigour, dedication, and absorption that employees utilise when approaching their job. The significance of exploring these three constructs is that that they have evidenced to add value to organisational talent management strategies and approaches and have particularly proven to be useful in retaining members of the workforce.

In light of the aforementioned, a quantitative research approach was utilised to achieve the aims and objectives of the study. In particular, a survey design was used to collect data from participants using various scales and subscales adapted from the Job Satisfaction Survey (JSS), Intrinsic Motivation Inventory (IMI), Psychological Meaningfulness Scale (PMS), Basic Psychological Needs at Work Scale (BPNWS), the Workplace Trust Survey (WTS)
and the Utrecht Work Engagement Scale (UWES). Data was collected from a sample of 251 South African employees from various industries and sectors in the Gauteng region. Thereafter, statistical analyses was conducted to generate results and draw logical inferences and conclusions from the data collected.

Based on the statistical analyses, various significant findings were produced. In accordance with the correlation analysis, it was first, found that there is a relatively large correlation between extrinsic rewards and total rewards with workplace trust whereas a medium correlation between intrinsic rewards and workplace trust was established. Second, it was found that extrinsic rewards have a medium correlation with work engagement whilst intrinsic rewards and total rewards produced a large correlation with work engagement. Third, it was evidenced that the correlation between workplace trust and work engagement produced a large correlation as well. Fourth, the regression analysis evidenced that both intrinsic and extrinsic rewards were significant predictors of workplace trust, with the different types of rewards explaining 21% and 28% of the variance, respectively. The final finding produced in this study was that intrinsic and extrinsic rewards are significant predictors of work engagement. What was specifically found was that while intrinsic rewards explained 28% of the variance, extrinsic rewards explained 1% of the variance in work engagement. Nonetheless, with both regression results produced, it should be noted that other factors may account for additional variance. In addition to the aforementioned, through the findings generated, the aims and objectives of the research study were achieved as results evidenced alignment with previous literature findings.

6.3 Limitations

Throughout the study, several limitations were identified. Firstly, the cross-sectional research design may serve as a limitation as it renders difficult to explore causality and draw
inferences about the relationships between the three constructs. A possible suggestion for this limitation could be that a longitudinal research design could be used to determine whether the relationship between organisational rewards, workplace trust and work engagement remains stable over time.

Secondly, in order to collect data from participants, the collection method relied exclusively on self-report measures. The utilisation of this method could potentially lead to social desirability bias as respondents may have had the tendency to respond in a more socially acceptable and positive light. In order to reduce this bias, consistency and manipulation checks could be employed in future studies.

Thirdly, the sample size was relatively small \((n = 251)\) and data was only collected within the Gauteng region. This may have limited the generalisability of the findings. For future research purposes, the sample size should be increased by researchers who should also account for other sampling techniques in order to minimise potential bias.

The fourth limitation of the study encapsulates the relatively low reliabilities of the promotion, fringe benefits, and contingent rewards subscales used to measure extrinsic rewards. Particularly, the alpha coefficients did not meet the intended cut-off value of \(> .70\). A possible explanation for this could be that these variables were measured using subscales adapted from the JSS and only contained four items each. It is suggested that future researchers explore these variables utilising scales or subscales which contain more items. This will possibly heighten the reliability coefficients of these variables as well as the extrinsic rewards composite scale.

With regards to the WTS, it is noteworthy to mention that the subscales, trust in organisations, trust in co-workers and trust in supervisors, rendered relatively high reliability
coefficients which ranged at and above .95. As such, certain items within the subscales measuring the particular construct may be unneeded.

The final limitation regards the scales utilised to measure organisational rewards. Unfortunately, access to instruments for measuring both intrinsic and extrinsic rewards proved challenging. Limited rewards instruments are available and, in addition to gaining access to them, are costly to utilise.

6.4 Recommendations for future possible research

As mentioned in the introduction (chapter 1), this study aimed to explore the relationships between the three constructs in order to gain insight into how organisations could retain their most valued employees. More specifically, the aim was to generate findings which could prove useful and valuable to human resources practitioners and industrial psychologists who could utilise the findings to enhance and better their employment strategies. More specifically, and although the study was limited in terms of generalisability of the findings, overall it could serve as a starting point for future researchers to gain insight into how rewards, trust and engagement interact in order to improve compensation, reward, retention, and loyalty strategies in the workplace. With this said, there exists a gap, as previous research findings remain limited and scarce, particularly within the South African context.

In light of the findings, conclusions and limitations of this particular study, a number of possible recommendations for future research may be made. A significant recommendation would be to acquire a larger sample size from a vast array of demographical regions to generalise the findings to the broader South African context. Furthermore, a longitudinal study could be employed to determine whether the relationships between organisational rewards, workplace trust and work engagement remain stable across time. This could further include looking at the correlations and regressions between the subscales of workplace trust
and work engagement, individually, to determine with more accuracy, the particular factors that are related to and predict these two constructs.

Additionally, it is recommended that the impact that organisational rewards have on other variables such as job satisfaction, employee loyalty, motivation, productivity and performance be explored, as these could prove useful and valuable within the employment context for the purpose of enhancing talent management strategies. It might also be valuable and interesting to determine whether additional factors such as gender and age moderate this relationship. The final recommendation for this study would be to develop and validate instruments for the measurement of both intrinsic and extrinsic rewards that can ultimately be made readily available to researchers, academics, and scholars within the management and behavioural sciences.

6.5 Practical implications

In light of the aforementioned, the study proved useful in that it provided insight into the influences that organisational rewards may have on workplace trust and work engagement. These findings were valuable in that they may help South African organisations to determine how to potentially heighten trust and engagement levels within the workplace. In addition, it provided insight into the amount of interest and value that employees place on organisational rewards in their pursuit of seeking trust in their supervisors, co-workers and organisations as well as in engaging in their work. In essence, the study not only potentially contributed to the existing body of knowledge but provided a platform for future researchers to explore these relationships more intricately.

6.6 Conclusion

In the 21st century world of work, although extrinsic rewards are important to heighten trust and engagement within the workplace, intrinsic rewards should not be overlooked as the
modern workforce is more intrinsically driven. The significance of exploring organisational rewards is that, in previous years, research found a link to various outcomes such as employee motivation and performance. This study sought to determine the influence that rewards might have on trust and engagement in the workplace. This, in turn, provided useful and relevant insight into why management and other behavioural specialists should make use of tangible, non-tangible, and psychological rewards to enhance human-related strategies within the world of work.

In light of the aforementioned, this section (chapter 6) provided the overall conclusions of the study through providing a broad overview of the manner in which research was carried out, findings and the limitations of the study as well as recommendations for future research. Finally, the practical implications and value that this study might potentially hold for organisations was discussed.
References


