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Attractiveness of non-financial rewards for prospective knowledge workers: An experimental investigation

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Attractiveness of non-financial rewards for prospective knowledge workers

An experimental investigation

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Abstract

Purpose – The purpose of this paper is to investigate if the presence of non-financial rewards (specifically work-life balance, learning, and career advancement) were able to influence the perceived attractiveness of a job offering. A secondary objective was to establish if there were demographic differences, specifically, gender, race, and age differences in the manner in which these non-financial rewards influenced the perceived attractiveness of a job offer.

Design/methodology/approach – A quantitative research approach was followed and a 23 full-factorial experimental design utilised. Data were collected with two questionnaires via convenience (non-probability) sampling. The first job attraction questionnaire assessed the perceived level of attractiveness to one of eight randomly assigned experimental conditions (stimuli) that were expressed as eight fictitious job advertisements. Employees who responded were from various industries ($n = 180$). The data collected were analysed using descriptive statistics and a full-factorial ANOVA. A second questionnaire was used to assess the perceived attractiveness of various elements of a typical total rewards package. The validity and reliability of the second questionnaire was assessed using Exploratory Factor Analysis utilising the Principal Axis Factoring extraction method, employing a Direct Oblimin (i.e. Oblique) rotation, and calculating Cronbach α coefficients, respectively. Descriptive statistics were calculated for the composite factors or reward elements.

Findings – The non-financial reward elements (work-life balance, learning, and career advancement) were found to have statistically significant main effects on employees' perceived attractiveness of a job offering. Gender was further found to also have a significant main effect, indicating that the presence of non-financial rewards was more attractive in job offerings for women than for men.

Research limitations/implications – The sample group was obtained by means of convenience sampling and may not have been adequately representative of the target population.

Practical implications – Organisations may benefit from these results by implementing and/or emphasising non-financial rewards as part of a total rewards package when they attempt to attract or recruit potential employees. Organisations that seek to attract a higher number of female employees may benefit from the results by incorporating or further emphasising non-financial rewards as part of a targeted job offer.



Originality/value – Substantial research exists that has identified reward elements that are effective in attraction strategies, but the authors are unaware of any literature where use was made of an experimental design to empirically show that non-financial rewards effect/influence perceived job attractiveness. The current study succeeded in identifying that the presence of non-financial rewards, as part of a job advertisement led to significantly higher levels of job attractiveness in prospective employees. Also, that there are gender differences in the extent to which the presence of non-financial rewards effect perceived attractiveness of a job offer.

Keywords Recruitment, Retention, Human resource management, Talent attraction, Non-financial rewards, Pay policies

Paper type Research paper

Introduction

Globally organisations are competing for the same scarce human resources and more specifically scarce talent. The world of work has increasingly become more global, which has led to a progressively interdependent global economy. Globalisation and the scarcity of talent are some of the influences that have driven the competitive markets for qualified and talented employees (Hagel, 2012). The challenges that companies are facing in the war for talent have had an effect on the retention of employees, specifically given how employees are being attracted to organisations through more lucrative or flexible positions elsewhere (Hagel, 2012).

Employee attraction and retention are factors that are encompassed as part of the broader concept of talent management. While both factors are found to be vital in aligning employee talent management with organisational strategies, they are different constructs and have dissimilar underlying approaches (Mandhanya and Shah, 2010). Talent attraction has been researched on the basis of the psychological contracts made between employers and employees in terms of the way that employees are attracted to an organisation (Kickul, 2001).

Potential problems may arise when an organisation makes specific outcome-based promises in the form of, for example competitive wages, work-life balance, training, and meaningful work, in exchange for employees' time and energy, skills, knowledge and abilities (Kickul, 2001). A problem associated with this is the lack of delivery on the organisation's promises or perceived promises to the employees (Kickul, 2001). Attraction of employees therefore is inferred as being a prolific influence on not only talent management as a whole, but also the psychological contracts established in the process.

Traditionally the financial elements in reward packages were paramount, while non-financial reward elements, for example training and development, and flexi-time have steadily increased in importance for employees. Pay or remuneration is the simplest and easiest reward element to replicate, and for this reason organisations are finding new ways of differentiating themselves from their market competitors (WorldatWork, 2003). Focusing on offering more and a wider range of non-financial rewards is one such strategy being employed by organisations to differentiate themselves and attract the best talent.

The purpose of this research was to investigate the role of non-financial rewards in talent attraction, specifically the attraction of knowledge workers.

The term knowledge worker was popularised by Peter Drucker in 1968 when he described these workers as “[...] the man or woman who applies to productive work ideas, concepts, and information rather than manual skill or brawn” (Brinkley *et al.*, 2009, p. 10). Some of the positions of knowledge workers include doctors, engineers, lawyers, managers, sales representatives, teachers, and other skilled professionals.

These skilled professionals who are involved with human interaction work are indicated to be vital to the competitive success of companies globally (Lund *et al.*, 2012).

Global competition for talent has been influenced by the impact that successful talent acquisition has on overall organisational success and the bottom-line (Cascio, 2006). Organisational success is an outcome of gaining a competitive advantage in the marketplace, and the question is what influences and mediates organisational success? Organisational strategic decisions and strategic planning to increase firm performance are ultimately aimed at improving success and ensuring sustainability. Organisations need to be flexible and highly responsive to the changing world of work to remain competitive, requiring organisations to adapt business processes and to incorporate more effective talent management practices. A study conducted by Abdul (2013), which included 25 major organisations in Lahore indicated that talent management mediated the relationship between business process re-engineering and organisational performance. The results indicated that business process re-engineering and the talent pool have a significant impact on organisational performance.

The direct economic costs associated with losing talented employees includes: the costs of replacing an employee; the separation of the employee; downtime; recruiting; interviewing; on-boarding; and training and development of the new hire (Hagen Porter, 2011). The direct and associated costs to a company are estimated to be between 50 and 100 per cent of an employee's salary for an entry-level position (Hagen Porter, 2011). Other estimates of associated costs for losing and replacing employees vary between 1.5 and 2.5 times the annual salary paid for a job (Cascio, 2006). Alongside the economic costs of losing employees, indirect financial costs could include work disruptions, loss of organisational memory along with tacit or strategic knowledge, losses to productivity or customer service, loss of mentors, or even additional turnover of other valued employees. It is widely accepted that both the direct and indirect economic costs of employee turnover significantly impact on organisational performance and success.

Talent management, specifically talent attraction, engagement and retention has thus become a vital strategic imperative to assist in organisational success, while the associated costs of losing valued and talented employees could affect the company's bottom line and competitiveness in the market. While talent management spans all industries, sectors, and types of employees, this research focused on the talent attraction, specifically the attraction of knowledge workers.

Previous research has suggested that applicants or prospective employees typically find three sets of information important for making a decision about an organisation or employer or specific job, namely employer information, job information, and people/employee information (Cable and Turban, 2001). A study conducted by Devendorf and Highhouse (2008) indicated support for the theory that information about prospective co-workers, and the similarity thereof was predictive of employer attractiveness. This further illustrates another dimension in which applicants or workers could be attracted to a job with an employer. Perceived similarity between applicants and employees influences the relative attractiveness of the employer, which further illustrates the significance that should be placed on attraction factors aimed at prospective employees.

Literature review

The literature on constructs such as job attraction, reward, and talent management are abundant. There are a multitude of theories and approaches that have been included in previous research, each with its own merits and weaknesses. There seems to be no definitively correct or superior approach or model at this stage. This literature review

includes references to several of the dominant theoretical approaches to demonstrate the depth and breadth of the subject area.

Job attraction

Employee attraction has been referred to as a combination and amalgamation of several factors. These factors change as each individual is influenced by life circumstances, personal development, environmental, and general changes (Amundson, 2007). The simultaneous amalgamation of the factors that are ideally attractive to individual employees may seem insurmountable (Amundson, 2007), however, employee attraction elements are also influenced by the type of person looking for work and the type of job that is being offered. Therefore, by identifying the job-specific criteria as well as the type of person best suited to the job, the ideal mix of attraction elements can be established.

Figure 1 summarises the primary antecedents of job attraction that have been the focus of past research and which indicate influential factors which all form part of a larger focus on job attraction.

In Schneider’s (1987) seminal paper with the title “The people make the place” it is asserted that organisations attract, select, and retain those people who share their values. Schneider (1987) postulated that people are functions of an Attraction-Selection-Attrition (ASA) cycle and are differentially attracted to jobs that reflect their own interests and personality. Organisations, in turn, usually employ people with attributes that fit the organisational culture, and those employees who do not fit the organisational culture naturally leave over time. Job attraction is therefore seen to be influenced by individual job seeker factors, and not just objective variables such as organisation reputation, location, or total reward package offered.

The underlying components/factors of attraction are also constantly changing depending on the individual, environment, and circumstances. Amundson (2007) identified ten workplace attractors in which the significance of each attractor varied over time and with each individual. The attractors were: security, location, relationships, recognition, contribution, work fit, flexibility, learning, responsibility, and innovation. Traditionally security received a great deal of importance as an attractor, however, as the working world has changed a single focus on job security is changing to a much broader array of attractors (Amundson, 2007). Financial attractors and an individual’s pay cheque are not perceived as important as they once were, and a broader array of attractors are guiding employees in making their career decisions (Amundson, 2007). For the most part the typical financial reward elements are still perceived as important, but changes to the rank order or prioritisation of reward elements, to include non-financial rewards as some of the top priorities, is creating a shift in the reward packages organisations offer in an attempt to attract the best talent.

Workplace attractors fall broadly into two categories: financial and non-financial rewards. These rewards can be designed into suitable packages that are the most effective, comprehensive, and appropriate to the types of talent that organisations are

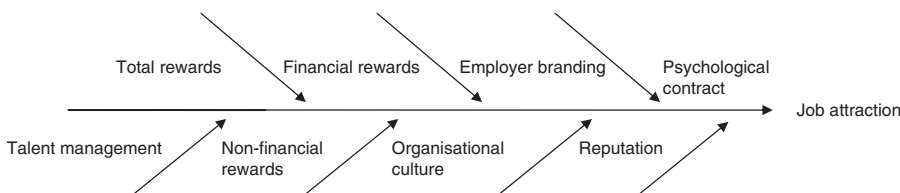


Figure 1.
Fishbone diagram
of job attraction

seeking to attract. This introduces and emphasises the importance of total rewards, which is an approach that encompasses employee attraction, retention, and motivation across various employee groups (WorldatWork, 2003).

The primary hypothesis of the current research was that non-financial rewards, specifically work-life balance, learning, and career advancement have a significant effect on perceived job attractiveness of a job offering. The impact of non-financial rewards within the total rewards framework is discussed as follows.

Total rewards

Total rewards are typically defined as “[...] encompassing not only traditional, quantifiable elements like salary, variable pay and benefits, but also intangible non-cash elements such as scope to achieve and exercise responsibly, career opportunities, learning and development, the intrinsic motivation provided by the work itself, and the quality of working life provided by the organisation” (Armstrong and Murlis, 2004, p. 11). Furthermore, it is believed that effectively managed total rewards systems will have a strong positive influence on employee attraction, motivation, and retention (Rumpel and Medcof, 2006).

The purpose of total rewards is to efficiently diversify the reward system so that it incorporates rewards that are perceived as meaningful to employees across different levels and jobs. The types of rewards that are typically included as non-financial rewards and have been utilised in organisations are: flexible working hours, career advancement, and training opportunities (Rumpel and Medcof, 2006). These rewards are often integrated with monetary compensation in order to produce a more inclusive, effective, and broader reward system (Rumpel and Medcof, 2006).

The present study expanded on Pregolato’s research (2010) that investigated demographic preferences in the way in which total reward elements should be ranked to aid retention. Pregolato’s (2010) study explored the reward elements under five broader categories and broadly defined rewards into the following categories: remuneration, benefits, work-life balance, performance and recognition, development and career opportunities. These categories were defined as follows:

- (1) Remuneration: cash provided by an employer to an employee for services rendered.
- (2) Benefits: programmes that an employer uses to supplement the cash or remuneration an employee receives. These satisfy protection needs and are unlikely to be performance based.
- (3) Work-life balance: organisational practices, policies and programmes as well as a philosophy that actively supports an employee’s efforts to be successful within and outside the workplace.
- (4) Performance and recognition: performance involves the alignment and subsequent assessment of organisational, team, and individual efforts towards the achievement of business goals and organisational success. Recognition gives special attention to employee action, efforts, behaviour, and performance.
- (5) Development and career opportunities: development comprises learning experiences designed to enhance employee skills and competencies. Career opportunities involve plans to help employees pursue their career goals. These are relational needs that bind workers more effectively to an organisation as they satisfy individual needs such as personal development and fulfilment. (Armstrong and Murlis, as cited in Pregolato, 2010).

WorldatWork (2003) proposes an integration of the five key reward elements that attract, motivate, and retain talent in order to achieve desired business results and realise employee job satisfaction and engagement. Figure 2 is a graphic representation of the total rewards model and the related outcomes as proposed by WorldatWork (2003). The figure emphasises that total rewards influence employee attraction, retention, and motivation. The level of success of attraction, motivation, and retention is influenced by the quality of management of a total rewards system and the suitability of the total rewards for employees. Improved practices for employee attraction, motivation, and retention have a positive effect on job satisfaction and engagement, which in turn have an interaction effect and positive correlation with business performance and results (WorldatWork, 2003).

Employers and employees have become more aware of non-financial reward offerings and their associated benefits. Non-financial rewards such as praise and recognition are acknowledged as motivating tools for employees and are therefore leveraged by employers to increase employee performance (Zani *et al.*, 2011). Employers are recognising that paying above or at market-levels is not sufficient to encourage, motivate, and retain staff (Whitaker, 2010). Whitaker (2010) found that employees' initial motivation and satisfaction may have improved with a pay raise or cash bonus, but the effects were shorter lived than the motivating effects of non-financial rewards. Non-financial rewards such as reduced working hours, subsidised meals or services, additional holidays, and team events were found to improve employee motivation, foster a positive culture and encourage loyalty and commitment to the organisation (Whitaker, 2010).

Increasing pressure on organisations to control or reduce costs has also heightened the use of non-financial rewards as alternative arrangements to reward employees (Chiang and Birtch, 2011). The broader financial reward elements are still considered largely significant, however, changes to the order of priorities of reward elements to include non-financial rewards is creating a shift in what organisations offer as part of their reward packages. Reward optimisation is becoming the next big challenge for remuneration managers and will require them to compile tailored reward packages that strike the optimal balance between cost and meeting the objectives of the remuneration system.

Younger employees are predominantly found to make employment choices based on value congruence, i.e. theirs and that of the organisation, rather than finding employment for primarily monetary or job security reasons (Amundson, 2007). This has directed employers to make strategic decisions regarding their competitive advantage and to

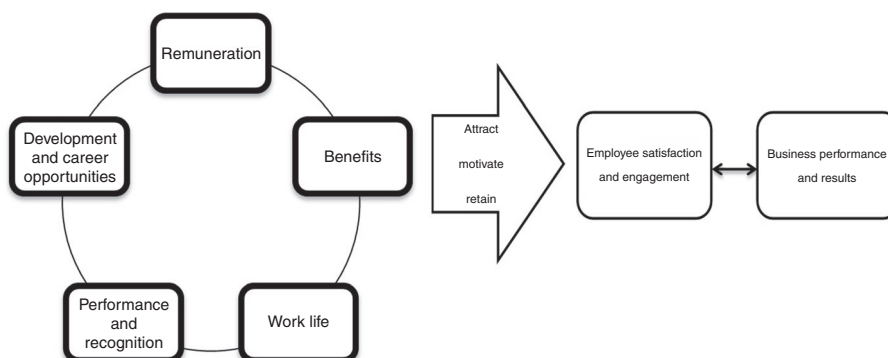


Figure 2.
WorldatWork total
rewards model

make necessary adjustments in order to attract and retain top talented employees. The strategic need for change and adjustment has increased the growing need for a broader range of attractors as part of a total rewards approach to be adapted (Amundson, 2007).

Pregolato (2010) in a choice-based modelling (conjoint analysis) study was able to identify six total reward elements that were ranked in order of preference when trade-offs had to be made (Figure 3). This was also done for various cohorts including gender, race, and age groups. Reward elements can be defined according to numerous characteristics and factors, however, the five categories of reward elements that were identified and investigated by Pregolato (2010) were defined at three level indicators per reward element. When psychological trade-offs had to be made between the reward elements, they were ranked in terms of their importance for retention as follows: benefits, performance and recognition, remuneration, career advancement, learning, and work-life balance (in this order for all demographic groups in the sample). The current study explored the non-financial reward elements that were identified by Pregolato (2010), this time using an experimental design to show how they influence perceived job attractiveness.

Methods

Research approach

A 2^3 full-factorial experimental design was used. The reason that a full-factorial experimental design was chosen for this study was that the research question aimed to analyse the combinations of and interactions between the variables, economically and simultaneously while controlling for extraneous variables as far as possible. A full-factorial design was needed to further capture the more complex reality of attraction elements by estimating the effects of multiple interacting causes (Denis, 2011).

Participants

Knowledge workers from various industries were targeted. A snowball sampling technique was used where known knowledge workers (peers, colleagues, and family members) were requested to complete the survey and forward the request to participate

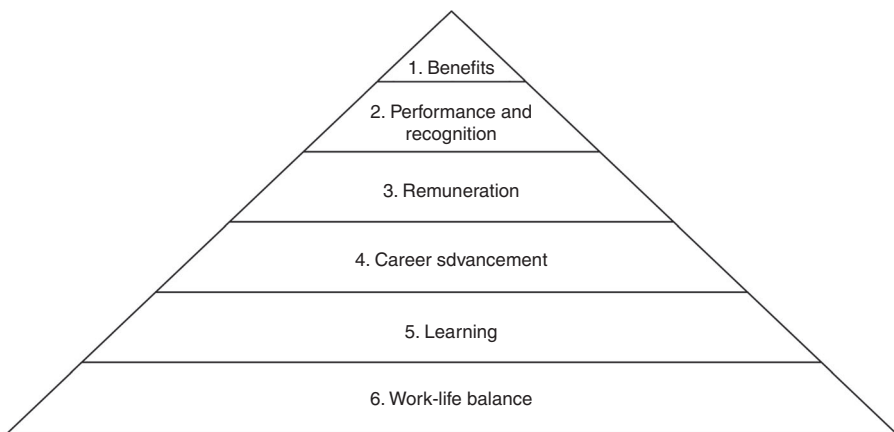


Figure 3.
The "ideal mix" of total rewards elements for all demographic groups, ranked by means of choice-based conjoint analysis

Source: Pregolato (2010)

to other known knowledge workers. It is, however, possible that the survey may have been sent to non-knowledge workers and this is acknowledged as a possible limitation of the study. The primary data collection was initiated in South Africa and 79 per cent of all respondents were South African. The realised sample size was 180 participants and the 20 participants per condition were met, satisfying minimum sample size requirements for a $2 \times 2 \times 2$ full-factorial experimental design. Convenient sampling produced a non-probability sample, which means that the probability of selecting an individual is not known. It therefore cannot be claimed that the sample is representative of the target population. Respondents were, however, randomly assigned to one of the eight conditions. Randomisation of respondents to conditions ensures that the groups are homogenous and therefore comparable to one another.

Measuring instruments

Job attraction. The questionnaire that accompanied the job advertisements (stimuli) and that was used to assess perceived job attraction was taken from Highhouse *et al.* (2003) Attraction Questionnaire. The original questionnaire contained three subscales that assessed attractiveness, prestige, and behavioural intentions for organisational pursuit. The scales were modelled on Fishbein and Ajzen's theory of reasoned action. The questionnaire made use of a five-point Likert-type response scale (1 = Strongly Agree; 5 = Strongly Disagree) and the attraction subscale contained five questions.

This attraction scale was chosen as it had known and demonstrated validity and reliability. The factor loadings for each item on the attraction scale were assessed on a Standardised Parameter Estimate for the three factor model (Highhouse *et al.*, 2003). The factor loadings were all found to be satisfactory (i.e. > 0.60). The internal consistency of the three scales was assessed using Cronbach's α . The company attractiveness subscale was found to have a satisfactory Cronbach α ($= 0.88$; i.e. > 0.70) (Highhouse *et al.*, 2003).

This scale, chosen to assess attractiveness was adapted for the purposes of this study to measure attraction to a job rather than attraction to a company as the original questionnaire assessed. This was done by replacing the word "company" with the word "job" in each of the items. This was considered to be a minor adaptation of the original attraction scale. The validity and reliability of the adapted scale was reassessed in the present study before the measure was used in further analyses.

Total rewards questionnaire. The second questionnaire utilised in this study was based on the WorldatWork Total Rewards model and was originally developed by Pregolato (2010). The Total Rewards Questionnaire was used to determine which total reward elements were perceived to be most important for respondents and to compare the results to those obtained from the experiment.

Responses were recorded on a five-point Likert-type scale on which 1 represented "Not at all important" and 5 "Very Important". The scale comprised 20 questions covering six total reward elements namely: performance and recognition, work-life balance, learning, career advancement, remuneration, and benefits.

The EFA derived factor structure for the Total rewards questionnaire utilised in Pregolato's (2010) research indicated satisfactory internal reliability (Cronbach $\alpha > 0.70$).

Data analysis. The data collected with the Attraction Scale were analysed using Descriptive statistics, Principal Components Analysis, and a full-factorial (three-way) Analysis of Variance (ANOVA). The data obtained with the second questionnaire, i.e.

the Total Rewards questionnaire were analysed using Exploratory Factor Analysis and descriptive statistics. These statistical analyses were conducted by means of IBM SPSS version 21.

Design of the experiment

Eight job advertisements for a fictitious vacancy were designed. The advertisements were kept as neutral as possible and contained, for example no branding or any other elements that may have affected attractiveness over and above those being manipulated. Each job advertisement used a different combination of two levels of the three non-financial reward elements (work-life balance, learning, and career advancement). The advertisements were created according to an effect coding matrix for the 2^3 Factorial Design, which provided all possible combinations of each reward element level with another (Dziak *et al.*, 2012).

The reward element levels that were first derived from Pregolato's (2010) research, in which each reward element had three levels (low, medium, and high), were changed to include only two levels for each reward element. Two levels were chosen due to the complexity of the multiple interactions of the full-factorial experimental design and also the sample size requirements this would entail. To use Pregolato's (2010) three levels of each reward element would necessitate a $3 \times 3 \times 3$ design, which would require a minimum of 540 respondents based on the 20 respondents per condition rule-of-thumb. The two levels chosen were either presence (1) or non-presence (0) and were used to create the eight conditions (see Table I). The sample sizes in each condition, as well as the Mean Job Attractiveness scores for each condition are also summarised in Table I.

Manipulation check. The eight job advertisements were assessed with a manipulation check. Ten participants were asked to participate in a survey that assessed, on a Likert-type scale how attractive the respective non-financial reward element levels were. For example, the participants were asked how attractive they found the presence of work-life balance as well as how attractive they found the non-presence of work-life balance as a possible reward element for a prospective job. This assessment was repeated for career advancement and learning. Paired samples *t*-tests were conducted to compare the attractiveness scores of each variable for each participant.

A paired samples *t*-test revealed a statistically significant difference between the job attractiveness means of work-life balance when present (WLB P) and work-life balance

Conditions	X_1 Work-life balance	X_2 Learning	X_3 Career advancement	Y Mean attractiveness	n
1	0	0	0	2.6	24
2	1	0	0	3.2	21
3	0	1	0	3.0	20
4	1	1	0	3.5	24
5	0	0	1	3.0	24
6	1	0	1	4.0	23
7	0	1	1	3.7	23
8	1	1	1	4.0	21

Table I.
Effect coding matrix
for the $2 \times 2 \times 2$
full-factorial design

Notes: 0, non-presence of reward element in job advertisement; 1, presence of reward element in job advertisement

when not present (WLB NP) (WLB P: $M = 4.33$, $SD = 1.32$; WLB NP: $M = 2.44$, $SD = 1.42$; $t(8) = 2.447$, $p = 0.040$, $\alpha = 0.05$). The η^2 statistic ($= 0.43$) indicated a large effect size.

A paired samples t -test revealed a statistically significant difference between the job attractiveness mean when career advancement was present (CA P) and when career advancement was not present (CA NP) (CA P: $M = 4.40$, $SD = 0.699$; CA NP: $M = 1.30$, $SD = 0.675$; $t(9) = 7.609$, $p = 0.000$, $\alpha = 0.05$). The η^2 statistic ($= 0.87$) indicated a large effect size.

A paired samples t -test revealed a statistically significant difference between the attractiveness means for learning when present (L P) and learning when not present (L NP) (L P: $M = 4.90$, $SD = 0.316$; L NP: $M = 1.50$, $SD = 0.850$; $t(9) = 10.002$, $p = 0.000$, $\alpha = 0.05$). The η^2 statistic ($= 0.92$) indicated a large effect size.

Therefore, based on the results of the paired samples t -tests, the job advertisements were considered to be appropriate for use in the experiment.

Accompanying the Likert-type survey items was a qualitative response section, which assessed what participants thought work-life balance, career advancement, and learning were inclusive of when offered as a job reward. The aim of the qualitative section was to assess whether the participants were able to identify similar themes, words or ideas that were included as part of the reward elements in the job advertisements without being prompted. For each reward element, the participant was asked to explain what they thought was included as part of work-life balance, career advancement, or learning. The responses were content analysed and found to support the proposed level indicators for work-life balance, career advancement, and learning.

Procedure. The job advertisements were pre-designed, generated, and uploaded onto the Qualtrics Research Suite, an online survey software program. An accompanying electronic survey was generated using the Qualtrics software. The survey contained the eight hypothetically generated versions of a job advertisement, with the Attraction Questionnaire and Total Rewards Questionnaire attached. The last section of the online survey contained questions relating to the demographics characteristics of the participants. This section consisted of age, gender, designated employment group, country, employment status, employments duration, career position, and industry items.

A request to complete the survey was e-mailed to a convenience sample of known knowledge workers, who were in turn requested to forward the survey on to other employee connections that could also be considered to be knowledge workers. This type of sampling method is called snowball sampling (Salkind, 2009). Once the participant clicked on the electronic hyperlink, a randomly assigned job advertisement with a specific non-financial reward element combination (i.e. one of the eight specified in Table I) was viewed. The randomisation of the advertisements was done by Qualtrics as the software randomly assigned participants to a specific condition. Only the job advertisements were randomly assigned and the accompanying Attraction and Total Rewards questionnaires were kept constant. The participants were not allowed to view more than one advertisement or to repeat the experiment as this would result in a learning effect.

Results

Demographic characteristics of the sample

The demographic characteristics of the realised sample are depicted in Table II.

ER	%
37,3	
<i>Country of origin</i>	
South Africa	78.9
USA	6.7
Zimbabwe	2.2
Other	7.7
UK	1.7
Missing/other	2.8
<i>Gender</i>	
Male	30.6
Female	66.1
Missing	3.3
<i>Race</i>	
White	60.6
Black	24.0
Coloured	6.1
Indian	5.6
Asian	1.1
Missing	2.7
<i>Career position</i>	
Non-management	41.7
Supervisor/team leader	9.4
Middle management	23.3
Senior management	13.3
Executive	3.3
Missing	8.9
<i>Industries</i>	
Banking and financial services	7.8
Human resources	11.7
Mining	9.4
Consulting	7.2
Legal services	7.2
Other	56.7
Note: $n = 180$	

Table II.
Demographic
characteristics of
the sample

The participants could be summarised as being predominantly South African, white, female non-managerial employees and were on average 34.5 years of age ($SD = 9.9$). Given the focus on knowledge workers, this demographic profile is not unexpected within the South African context.

Attraction questionnaire

Assessing unidimensionality. The five items of the Job Attraction questionnaire were subjected to Principal Components Analysis (PCA) using IBM SPSS version 21. Prior to performing PCA the suitability of the data for Factor Analysis (FA) was assessed. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy was found to be satisfactory ($=0.873$; > 0.6), and Bartlett's Test of Sphericity was statistically significant ($p < 0.01$). Based on this evidence it was therefore considered appropriate to conduct PCA on this data. Only one component was found with an eigenvalue

exceeding one (Kaiser's criterion) and this single factor explained 78.3 per cent of the variance (Pallant, 2005). Catell's (1966) scree test also suggested a single factor solution. Based on this basket of evidence it was decided to retain one component for further investigation and corroborated the unidimensionality of the scale. The results of the principal components analysis for the Attraction Questionnaire are shown in Table III.

All five items were found to have satisfactory factor loadings (> 0.30) and were therefore retained (see Table III). Based on these results the Attraction Questionnaire was considered unidimensional and that it had demonstrated adequate construct validity.

Reliability analysis. The reliability of the five-item Attraction Questionnaire was assessed by calculating Cronbach α values and utilising the SPSS item-analysis procedure. The Attraction Questionnaire showed satisfactory internal consistency (Cronbach $\alpha = 0.917$; item-total correlations: $0.877 < r < 0.928$, i.e. all > 0.30). The five-item Attraction Questionnaire was considered reliable based on these results.

Based on these results the Job Attraction scale was considered to have demonstrated satisfactory validity and reliability and that it would be appropriate to use in further analyses.

Descriptive statistics. The descriptive statistics for the Attraction Questionnaire, as collected for each of the eight conditions are depicted in Table IV.

As can be seen in Table IV the mean job attractiveness scores were higher when the non-financial reward elements were offered in the job advertisement.

Component	Initial eigenvalues	% variance	Cumulative %	Extraction sums of squared loadings		
				Total	% of variance	Cumulative %
1	3.914	78.284	78.284	3.914	78.284	78.284
2	0.479	9.571	87.855			
3	0.298	5.968	93.823			
4	0.195	3.894	97.717			
5	0.114	2.283	100.000			

Component matrix ^a	Component ^a
1 For me this would be a good job	0.903
2 I would not be interested in this job except as a last resort	0.866
3 This job is attractive to me for employment	0.935
4 I am interested in learning more about this job	0.791
5 This job is very appealing to me	0.922

Table III.
Results from principal components analysis for the attraction questionnaire

Notes: Extraction method: principal component analysis. ^aOne component extracted

	Mean	SD	Skewness	Kurtosis
X_1 = Work-life balance – present	3.65	0.80	-0.40	-0.17
X_1 = Work-life balance – not present	2.86	1.01	0.02	-1.12
X_2 = Learning – present	3.56	0.82	-0.33	-0.48
X_2 = Learning – not present	3.18	1.03	-0.11	1.07
X_3 = Career advancement – present	3.63	0.92	-0.53	-0.54
X_3 = Career advancement – not present	3.09	0.90	-0.17	-0.82

Table IV.
Descriptive statistics for non-financial attraction survey based on the eight conditions

Total rewards questionnaire

Validity and reliability. The 20-items of the Total Rewards questionnaire were assessed by way of Exploratory Factor Analysis (EFA) using SPSS version 2.1. A Principal Axis Factoring extraction method and an oblique rotation (Direct Oblimin) were utilised given the assumption that the factors are inter-related. The KMO value was found to be 0.785 (> 0.60), and the Bartlett's test reached statistical significance ($p < 0.01$). Therefore it was considered appropriate to conduct EFA on this data.

Six components were found to have eigenvalues exceeding 1 and the total amount of variance explained was 59.17 per cent. Cattell's (1966) scree test indicated that six factors could be retained for further investigation. The pattern matrix was assessed for items that cross-loaded, i.e. items in which the difference between loadings on different factors would be < 0.25 . The pattern matrix indicated that Item 10 – The extent to which you are provided with challenging targets – cross loaded on Factor 4 and 5. Therefore Item 10 was excluded and the EFA was re-run as a reduced 19-item scale. The 19-items when subjected to EFA produced five factors with eigenvalues > 1 . The 19-item EFA derived scale is represented in Table V.

No further cross-loading items were observed and all items had factor loadings > 0.3 . The items in the pattern matrix were assessed and each of the factors was labelled accordingly. Factor 1 was labelled Career Advancement ($0.330 < r < 0.704$); Factor 2 was labelled as Interpersonal/social ($0.383 < r < 0.744$); Factor 3 was labelled as Financial ($0.637 < r < 0.776$); Factor 4 was labelled as Work-life Balance ($0.336 < r < 0.733$); and Factor 5 was labelled as Challenges and Contributions ($0.422 < r < 0.927$).

Reliability analysis. The Cronbach α suggested that there was satisfactory internal consistency (> 0.785 ; i.e. > 0.70). The Corrected Item-Total Correlations was also satisfactory ($0.354 < r < 0.578$).

Descriptive statistics for total rewards questionnaire. The results indicated that the mean scores for the questionnaire yielded similar and relatively high mean scores for the factors or reward elements (see Table VI). These results corroborate Pregolato's (2010) research and supported the findings for the survey. The results indicated that participants respond favourably, irrespective of the type of reward offered and therefore that attraction to specific reward elements cannot be easily differentiated in this way. The results supported the use of other approaches, for example an experimental design in this case to more accurately assess the differentiated attraction scores for different reward levels, and also supported the findings in the Job Attraction survey.

Full-factorial analysis of variance for work-life balance, career advancement, and learning. A full-factorial ANOVA was used in order to test the main effects for each of the independent variables and also to explore the possible interaction effects. Before the ANOVA was conducted, the eight groups were further assessed to ensure that they did not significantly differ on any of the demographic variables for which data were collected. No significant differences were found and they were considered to be homogenous. Also, Leven's test of Equality of Error Variances was used to test one of the underlying assumptions of the analysis of variance. The analysis indicated that there was a non-significant result ($F_{7, 169} = 1.8$; $p = 0.090$), which suggested that the variances across the groups were equal, so satisfying the assumption.

The results indicated that all three factors had statistically significant main effects (see Table VII). The effect size for each independent factor was evaluated using Cohen's (1988) criterion. The results of the ANOVA and main effects indicated that overall there

	1	2	Factor		
			3	4	5
3. The opportunities offered to you by your company for learning and career development outside of your current job, e.g. sabbaticals, coaching, mentoring, leadership training	0.704				
4. The opportunities offered to you by your company for career advancement, e.g. job advancement/promotions, internships, and apprenticeships with experts, internal job posting	0.511				
11. The opportunities offered to you by your company for training within your current job, e.g. skills training	0.474				
5. The quality of performance feedback and performance discussions you have had with your supervisor	0.330				
15. The degree to which your employer encourages and organises team building or other social networking activities amongst employees		0.743			
14. Having social friendships at work		0.531			
16. Your employer's provision of employee health and wellness programmes, e.g. Employee Assistance Programmes, counselling services, fitness centres		0.416			
20. The provision of recognition via non-financial means, e.g. certificates of recognition		0.383			
18. Your employer's provision of medical aid, retirement and pension benefits			0.776		
17. The provision of a competitive pay package (i.e. basic salary plus benefits, allowances, or variable pay)			0.641		
19. Your employer's provision of incentive bonuses/variable pay			0.637		
13. Your employer's provision of work/life programmes such as flexible working arrangements, flexible hours				-0.733	
12. The extent to which your employer supports a balanced lifestyle (between your work and personal life)				-0.619	
9. Having a manageable workload and reasonable work place				-0.337	
1. Recognition provided to you by your employer, e.g. financial recognition such as a cash, paid travel				-0.336	
7. The level of challenge and interest you derive from your job					0.927
8. The extent to which you are provided with challenging targets					0.591
6. The extent to which you believe your contribution and work is valued					0.422

Table V.
Final pattern matrix
for factor analysis
for total rewards
questionnaire

Notes: Extraction method, principal axis factoring; rotation method, Oblimin with Kaiser normalisation.
^aRotation converged in nine iterations

	Mean ^a	SD	Skewness	Kurtosis
Career advancement	4.24	0.50	-0.70	2.15
Interpersonal/social	3.39	0.74	-0.33	-0.19
Financial	4.36	0.54	-0.53	-0.10
Work-life balance	4.24	0.52	-0.86	1.32
Challenge and contributions	4.40	0.47	-0.76	2.91

Table VI.
Descriptive statistics
for five factor
total rewards
questionnaire

Note: ^aMeans based on a five-point Likert-type response scale

was a significant difference in mean values for work-life balance, learning, and career advancement. Considering the partial η^2 results it would seem that including work-life balance had the greatest influence on job attractiveness, followed by the inclusion of career advancement. The results indicated that a job was most attractive to participants when work-life balance, learning, and career advancement was present in a job offering. This mean was, however, quite similar when only work-life balance and career advancement was being offered (numerically smaller on the second decimal). The two-way or three-way interaction effects yielded no statistically significant results at the 95 per cent confidence interval. The interaction effect of Work-Life Balance \times Learning was, however, significant on a 90 per cent confidence level ($p = 0.07$, i.e. $p < 0.1$), which given the small samples of the conditions could be considered appropriate here.

The box plots below visually represent the comparative main effects for each independent variable with one another. The box plots also indicate that when work-life balance and career advancement are both included, the mean attraction value is at the highest level and the data shows the least variability (Figure 4). The comparative main effects for learning and career advancement indicated that when career advancement is present, the mean attraction scores are quite similar if learning is present or not present (Figure 5). This supports the suggestion above that work-life balance and career advancement in combination achieves higher satisfaction scores than if presented individually.

Factorial analysis of variance for work-life balance, career advancement, and learning and demographic variables. Further ANOVAs were used to determine whether there were any main or interaction effects between demographic groupings and the attraction to work-life, learning, and career advancement. The demographics groups age, gender, and race were selected for the analyses.

The main effects are represented in Table VIII and indicated a significant main effect for gender ($p = 0.001$; $p < 0.01$). The significant main effect for gender was further analysed by interpreting the descriptive data. Female's attraction to non-financial rewards ($M = 3.54$, $SD = 0.87$) was higher than for males ($M = 2.95$, $SD = 0.997$). From these results it would seem as if females are statistically more likely to be attracted by being offered non-financial rewards than males.

Table VII.
Tests of between-subjects effects for work-life balance, learning, and career advancement main effects

Source	Dependent variable: attractiveness							
	Type III of sum of squares	df	Mean square	<i>F</i>	Sig.	Partial η^2	Noncent. parameter	Observed power ^b
Corrected model	34.521 ^a	3	11.507	16.024	0.000	0.217	48.072	1.000
Intercept	1,999.533	1	1,999.533	2,784.422	0.000	0.942	2,784.422	1.000
WLB	15.163	1	15.163	21.115	0.000	0.109	21.115	0.995
Learning	5.204	1	5.204	7.247	0.008	0.040	7.247	0.763
CA	14.234	1	14.234	19.821	0.000	0.103	19.821	0.993
Error	124.234	173	0.718					
Total	2,168.320	177						
Corrected total	158.755	176						

Notes: WLB, work-life balance; CA, career advancement. ^a $R^2 = 0.217$ (adjusted $R^2 = 0.204$); ^bcomputed using $\alpha = 0.05$

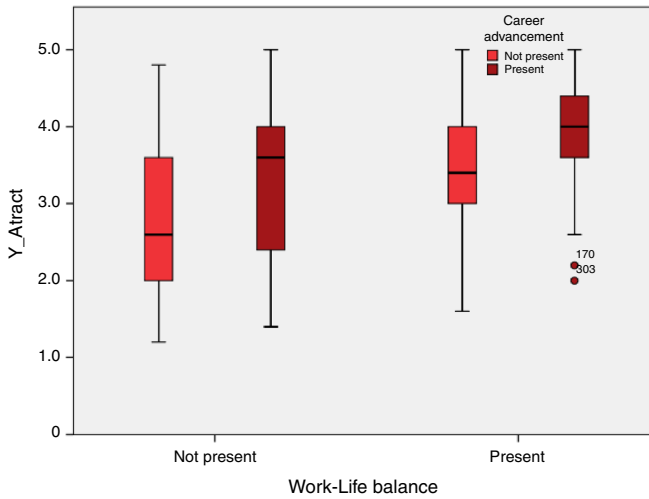


Figure 4.
Boxplot
representation of the
comparative main
effects of work-life
balance and career
advancement

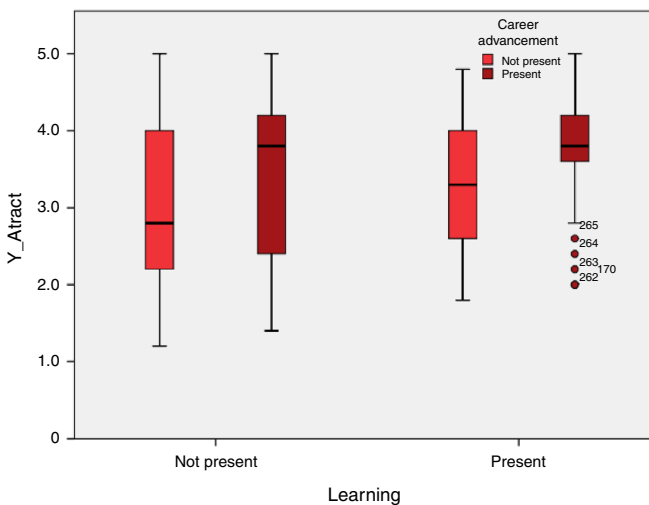


Figure 5.
Boxplot
representation of the
comparative main
effects of learning
and career
advancement

The same statistical analyses were repeated for age and race. The main effects for age indicated that there was not a statistically significant main effect ($p = 0.337$; $p > 0.05$) (see Table IX). Similarly, the main effect for race indicated that there was not a statistically significant main effect ($p = 0.301$; $p > 0.05$) (see Table X). Therefore these results indicated that age and race did not have a significant effect on perceived job attractiveness.

The standardised residual errors, which are residuals divided by the estimates of their standard errors, were analysed through a set of regression graphs that visually depicted the validity of the experiment. The graphs were visually assessed to see whether there were extremely high or low outliers in which case they would pull the regression line close to the observation, which would make it appear that there were no

Table VIII.
Gender and
attraction to non-
financial rewards

Dependent variable: attractiveness								
Source	Type III of sum of squares	df	Mean square	<i>F</i>	Sig.	Partial η^2	Noncent. parameter	Observed power ^b
Corrected model	41.507 ^a	4	10.377	15.377	0.000	0.270	61.509	1.000
Intercept	1,577.480	1	1,577.480	2,337.628	0.000	0.934	2,337.628	1.000
WLB	14.973	1	14.973	22.188	0.000	0.118	22.188	0.997
Learning	4.596	1	4.596	6.810	0.010	0.039	6.810	0.737
CA	8.734	1	8.734	12.943	0.000	0.072	12.943	0.947
Gender	7.616	1	7.616	11.286	0.001	0.064	11.286	0.916
Error	112.020	166	0.675					
Total	2,072.240	171						
Corrected total	153.527	170						

Notes: WLB, work-life balance; CA, career advancement. ^a $R^2 = 0.270$ (adjusted $R^2 = 0.253$); ^bcomputed using $\alpha = 0.05$

Table IX.
Age and attraction
to non-financial
rewards

Tests of between-subjects effects Dependent variable: attractiveness								
Source	Type III of sum of squares	df	Mean square	<i>F</i>	Sig.	Partial η^2	Noncent. parameter	Observed power ^b
Corrected model	31.781 ^a	4	7.945	10.835	0.000	0.214	43.342	1.000
Intercept	412.081	1	412.081	561.989	0.000	0.779	561.989	1.000
WLB	13.497	1	13.497	18.407	0.000	0.104	18.407	0.989
Learning	4.730	1	4.730	6.451	0.012	0.039	6.451	0.714
Career adv	13.981	1	13.981	19.067	0.000	0.107	19.067	0.991
Age	0.679	1	0.679	0.926	0.337	0.006	0.926	0.160
Error	116.587	159	0.733					
Total	1,992.880	164						
Corrected total	148.368	163						

Notes: WLB, work-life balance; career adv, career advancement. ^a $R^2 = 0.214$ (adjusted $R^2 = 0.194$); ^bcomputed using $\alpha = 0.05$

outliers. The overall assessment was to determine whether bias existed for each of the groups. The standardised residual errors were seen to be normally distributed. A scatterplot was used to visualise the data structure and conditional distribution $y | x$. The scatterplot represented data that were visually randomly and evenly scattered. This indicated that the errors associated with one observation are not correlated with any other observation and that a problem with non-linearity does not exist.

Cook's *D*, which is effective in finding influential cases when a single outlier exists depicted that the data does not fall outside of a normal distribution or range. Therefore there were no identifiable single outliers in the data, which could have indicated bias in the data.

Overall through the assessment of the standardised residuals, the data were assumed not to be biased across groups. The validity of the experiment and the method used for the experiment were therefore supported.

Source	Type III of sum of squares	df	Tests of between-subjects effects Dependent variable: attractiveness				Partial η^2	Noncent. parameter	Observed power ^b
			Mean square	<i>F</i>	Sig.				
Corrected model	37.985 ^a	8	4.748	6.580	0.000	0.243	52.641	1.000	
Intercept	214.229	1	214.229	296.891	0.000	0.644	296.891	1.000	
WLB	12.947	1	12.947	17.943	0.000	0.099	17.943	0.988	
Learning	5.121	1	5.121	7.097	0.008	0.041	7.097	0.754	
Career adv	13.349	1	13.349	18.500	0.000	0.101	18.500	0.990	
Race	4.412	5	0.882	1.223	0.301	0.036	6.114	0.427	
Error	118.338	164	0.722						
Total	2,112.920	173							
Corrected total	156.323	172							

291**Table X.**
Race and attraction
to non-financial
rewards

Notes: WLB, work-life balance; career adv, career advancement. ^a $R^2 = 0.243$ (adjusted $R^2 = 0.206$);
^bcomputed using $\alpha = 0.05$

Discussion

Outline of the results

The aim of this study was to investigate whether the presence of non-financial rewards, specifically work-life balance, learning, and career advancement had an effect on the perceived attractiveness of a job offering. The lack of interaction effects for the non-financial rewards indicated that when the different non-financial rewards are present and are combined in a job offering, they are no more effective in increasing attraction to a job than alternative combinations of each separately. These results indicate that there is no support for a specific combination of non-financial rewards that is effective in determining job attraction.

The central premise for total rewards management is that the correct application and combination of rewards will be more effective in attraction, motivation, and retention practices within an organisation (Bryant and Allen, 2013). The results of this study suggest that the inclusion of specific combinations of non-financial rewards do not have a significant impact on job attraction. The results were unexpected as literature indicated that a significant effect would arise from correctly and specifically designed total rewards packages (Rumpel and Medcof, 2006). In this case the expectation was that the inclusion of specific non-financial rewards would lead to an increase in job attraction. An explanation could be that the types of rewards and combinations being offered may not have been the most appropriate or meaningful for the sample group. Also, in this experiment the presence (or absence) of the non-financial reward was assessed and not the actual levels thereof.

Another research finding noted that total reward packages usually encompass a combination of non-financial rewards that are supplementary to the financial rewards offered (O'Neal, 1998). Perhaps the combinations of each of the non-financial rewards were not sufficient on their own to elicit significant differences in attraction.

The main effects were analysed to assess whether each of the non-financial rewards when present or not present, indicated significant results for job attraction. The results for the main effects were found to be supportive of previous literature for each of the non-financial rewards. Work-life balance, learning, and career advancement all indicated

statistically significant results, which means that when present in a job advertisement, they are significantly more attractive to an employee than when not present.

The power statistics indicated high practical significance for both the main effects of work-life balance and career advancement. The high practical significance and statistically significant main effects for work-life balance and career advancement indicated useful results for the purposes of employee attraction beyond the scope of the present study. Comparing the mean scores of these two non-financial reward elements individually and in combination further supports the notion that they are best placed to positively influence job attractiveness. This means that, based on these findings, including work-life balance and career advancement as job rewards will most likely yield more attraction from prospective employees. It is therefore suggested that it may be highly applicable to other employees outside the confines of the current study's sample group. Learning indicated a statistically significant main effect, the results yielded low practical significance with lower power statistics.

The present study indicated that for age and race there were no statistically significant main effect results and therefore that age and race did not have an effect on employee attraction. The results were surprising for age. Previous research conducted by Thompson and Gregory (2012) found that newer generations valued non-financial rewards more than financial rewards. Another study conducted by Harvard Business Essentials (2002) found that older generations similarly valued non-financial rewards to newer generations. The expectation was therefore that age would have a significant main effect. However, when the sample group was further assessed the results seemed more probable. The participants were on average 35 years of age, which may be the reason that age did not have a significant effect on employee attraction, as they were not predominantly from the newer generations or so-called Millennials.

Gender was assessed and statistically significant main effect results for gender were found. The results indicated that there are significant differences between perceived attractiveness of non-financial reward elements for males and females. The results indicated that females are more attracted to the presence of non-financial rewards than males. Females are also more attracted to a job when all non-financial rewards (work-life balance, learning, and career advancement) were present in a job offering.

Research conducted by Bourhis and Mekkaoui (2010) found that women are more attracted to non-financial rewards than males. Given the large population of working women in the labour market, as well as the fast growing number of both dual-career families and single-parent families, the need for balancing work-family responsibilities has become a growing challenge for many employees (Bourhis and Mekkaoui, 2010). The results for gender corroborated previous research and are instructive in designing total rewards packages that are relevant for the increasing numbers and needs of working women.

The Total Rewards questionnaire was primarily used as a supportive tool for the Attraction questionnaire. The supportive function of the questionnaire was to assess whether overall the participants were attracted to total rewards irrespective of the rewards being offered. The results indicated generally consistent high mean scores and therefore that the participants in the study were similarly attracted by all the elements typically found in a total reward package. These findings corroborated research conducted by Pregnolato (2010) on Total Rewards, as well as research that indicated that employees are attracted to total rewards, and more so when they are appropriate and meaningful to employees (Amundson, 2007). This result strengthens the calls for novel ways to investigate reward preferences and the way in which rewards are able to attract, engage, and retain different cohorts of employees.

Practical implications

The research findings could benefit organisational talent management practices. Changing perceptions and demands for top talented employees have resulted in the need for more effective total reward packages. The current study provides companies with insight into the effect that including non-financial rewards as part of a job offering, may have in attracting knowledge workers.

It is evident that employees value non-financial rewards. Work-life balance, learning, and career advancement, specifically were found not only to be indicative of increased attraction to a job, but the exclusion of non-financial rewards also significantly decreased the level of job attractiveness. Therefore companies may lose out on talented employees if non-financial rewards are not included or emphasised as part of a job offering. The results from this study also offer some insight into the type of non-financial rewards that are most effective in attracting talented employees.

The current study offers opposing evidence on the effect that age has on perceived job attraction. The results also offer more insight into gender differences to attraction, and provide theoretical support for female job attraction literature.

Companies are becoming increasingly more aware of the need to attract women into the workplace. Organisations that seek to increase female attraction to a job should take non-financial rewards as significant influencers on female job attraction into consideration.

Limitations and recommendations

The sample group was obtained through non-probability convenience sampling. The first limitation of using non-probability convenience sampling was that the sample group may not have been adequately representative of the entire population, specifically concerning organisational sectors and industries. Replicating the findings of this research across qualitatively different departments, job levels, or organisations from the target population could be conducted in the future. Preferably future studies would make use of random samples to allow for more convincing generalisation of the results.

A further recommendation for future research would be to find alternative ways in which to design job advertisements or to make the job advertisements even more realistic to the participants. A possible alternative method that was considered by the authors was to use vignette experiments, which could be used in future research. A vignette experiment would ask participants to reply to a hypothetical situation. This approach was not selected as responding to job advertisement was believed to be more realistic and therefore have higher external validity.

Conclusion

The aim of the current study was to establish whether non-financial rewards (work-life balance, learning, and career advancement) had an effect on employees' perceived attractiveness of a job offering. The employees that were assessed were from various industries and different job levels. The current study expanded on previous research conducted by Pregnolato (2010) on employee retention by shifting the focus from employee retention to employee attraction to a job.

The findings show that each of the non-financial rewards, when presented, was individually attractive to employees. There is some evidence to believe that there is an interaction between being offered work-life balance and career advancement over and above the main effects that were each significant. The main effects strongly supported the research question. The implication for organisations is that if non-financial rewards

are offered as part of a job package, employees will be more likely to be attracted to the job than if non-financial rewards were not offered.

Women were found to have higher levels of attraction to non-financial rewards than males. Therefore the results indicated that if an organisation designed their total rewards with a strong emphasis on non-financial rewards, women would be more likely to be attracted to the job offering.

These results are specifically relevant in the current market as more women are entering the job market and dual-career families have increased. More so, in South Africa, women are recognised as a designated employment group. Therefore companies can leverage their total reward offerings in order to attract top talented female employees, which both satisfies the requirements of the Employment Equity Act (EEA no. 55 of 1998) and the need for greater diversity amongst the pool of talented employees in the workplace.

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