THE INFLUENCE OF REWARDS ON JOB SATISFACTION AND ORGANISATIONAL COMMITMENT AMONG ACADEMIC STAFF AT SELECTED UNIVERSITIES OF TECHNOLOGY IN SOUTH AFRICA

by

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DECLARATION

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Signed: ..........................................
Date: ..........................................

STATEMENT 1

This dissertation is being submitted in fulfilment of the requirements for the degree Doctor of Philosophy in Management Sciences: Human Resources Management

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<th>Acronym</th>
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<tr>
<td>CFA</td>
<td>Confirmatory Factor Analysis</td>
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<tr>
<td>CHE</td>
<td>Council on Higher Education South Africa</td>
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<tr>
<td>CUT</td>
<td>Central University of Technology</td>
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<td>HEIs</td>
<td>Higher Education Institutions</td>
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<td>Higher Education South Africa</td>
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<td>Job Satisfaction Survey</td>
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<td>Minnesota Satisfaction Questionnaire</td>
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<td>SEM</td>
<td>Structural Equation Modelling</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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<tr>
<td>TUT</td>
<td>Tshwane University of Technology</td>
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<td>UoT</td>
<td>University of Technology</td>
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DEDICATION

At the time of completing my studies, I pause to remember the people who were instrumental in me becoming the person I am and who are not here to witness how they impacted on my life: My late father; a truly exceptional man. He named me Mzwenhlanhla to proclaim to the world how fortunate he was to have me as a son and how fortunate was his household, but I am more fortunate to have known him as a father and as a man. He was a provider, an inspiration and an anchor on whom all could rely. He was very remarkable, even to his last day. He left a wonderful legacy.
ACKNOWLEDGEMENT

A doctoral thesis may appear to be a work in seclusion, but to complete a project of this magnitude a strong network of support is required. My formal learning is complete although my informal learning will continue with the same fervour and spirit until the end of my time. I am indebted to the leadership of my promotor, Dr. Dlamini, for his dedication, academic knowledge, expertise, guidance, patience, direction and feedback comments. His guidance and tenacity provided, proved invaluable to this research. Thank you for your determined resolve to see me through to the end of this project. I would not have finished without you. This research would not have been possible without the cooperation from the participating academic staff of both Universities of Technology. To all, I am deeply indebted for allowing me to gather your perceptions about influence of rewards on job satisfaction and organisational commitment. I remain indebted and wish to acknowledge and express my gratitude to:

- To my Creator, for his inspiration, good health, guidance, strength and insight to conduct this study.
- My family, wife Nozipho, son Andile, daughter Ntokozo for their support, sacrifices’ and who were many a time robbed of their deserved maternal attention throughout the duration of my studies. Without their constant inspiration, support, patience and encouragement this research would not have seen the light of the day.
- To all my other family members, mom, mother-in-law, father-in-law, siblings, friends and colleagues, I would like to express appreciation for their support and encouragement.
- To Promise Nhlabathi, Faculty Officer, Management Sciences at DUT for all the research administration assistance. I thank you so much.
- To Confidence Chauke, Administrative Assistant at Vaal University of Technology for all the administration assistant.
ABSTRACT

Higher education institutions are particularly vulnerable to the loss of their highly qualified employees to better rewards and benefits from the private sector and other higher education institutions. Talent retention and employee turnover, therefore, are major concerns for higher education institutions (HEIs). Without well qualified and committed academic staff, no academic institution can really ensure sustainability and quality over the long-term. Owing to the competition for scarce skills, the attraction and retention of quality employees has emerged as the biggest challenge in human capital management, this phenomenon has also arisen in universities of technology. To attract and retain employees, organisations need novel reward systems that satisfy them. Employee rewards are an important component in exchange of employee contribution. It is generally accepted that employee rewards plays a significant role to attract, motivate, satisfy, retain and maintain commitment among employees in any organisation while ensuring a high standard of performance and workforce stability. Essentially, it is understood that reward systems in higher education institutions are at fault because they do not provide individuals with rewards that they value.

The overall outcome of the study is to benefit employees, rewards practitioners and institutions by attracting and retaining talented employees. The study focuses on the academic staff at two universities of technology, namely, Central University of Technology and Tshwane University of Technology. A quantitative research approach was employed with a semi-structured questionnaire comprising a 5 Point Likert Scale to determine the influence of employee rewards on job satisfaction and organisational commitment among academic staff at universities of technology. The target population for the present study comprises all academic staff at Central University of Technology and Tshwane University of Technology (from level of lecturers, senior lecturers, head of departments and professors). The target population for this research was obtained from the Human Resources Management Department at both universities of technology. The source list indicates that both UOTs equated to staff of 1 089 (CUT = 296; TUT = 820). A semi-structured questionnaire was administered to 279 sample respondents of academic staff. Data obtained from 225 respondents and 8 uncompleted questionnaires yielded a response rate of 78%. Systematic sampling was used to select target respondents, $n^{th}$ element was drawn on every 4$^{th}$ element.
for the entire sample. The data collected from the responses were analysed with the Statistical Package for the Social Sciences (SPSS) and AMOS, version 24.0 for Windows. Three main data analysis techniques are employed: descriptive statistics, confirmatory factor analysis and structural equation modelling (SEM).

Two models are employed in CFA to test dimensional structure of employee rewards. These include a model that allows all factors to be freely correlated, a proposed model was tested for correlation and a structural model. All factors are correlated because they measure one higher order factor, where all indicators test if they measure only one construct. The results of CFA provide solid statistical evidence that affirm relationship among constructs. However, some factors do not converge towards the job satisfaction construct in a South African context. Work-life balance and fringe benefits provided a negative correlation to job satisfaction. A significant statistical relationship is seen between employee rewards, job satisfaction and organisational commitment. The SEM results affirm that compensation, performance management, recognition, talent development and career opportunities have a positive and significant influence on job satisfaction. Job satisfaction has a significant effect on organisational commitment while total rewards components performance management, recognition, talent development and career opportunities has a positive and significant impact on organisational commitment. However, employee rewards have a significant effect on job satisfaction and organisational commitment. These results, therefore, can aid remuneration specialists in higher education institutions with specific reference to universities of technology to implement these total rewards components in order to affect job satisfaction while ensuring organisational commitment among academic staff. This study would benefit if these models are tested with an alternative data set. The research also suffered from a limitation common to survey research and SEM. Due to time and money constraints, it is a cross sectional sample at one specific point in time. As a result, while causal relationships can be inferred, they cannot be generalised towards other universities of technology in South Africa.
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Talent retention and employee turnover are major concerns for higher education institutions (HEIs) because they are losing highly qualified staff to the private sector and to other HEIs that are able to offer better rewards and benefits (Erasmus and Grobler, 2015:32). The turnover of talented staff is therefore a major concern for the institution under investigation. The attraction and retention of employees continues to be a key priority, not only for human resource professionals but also for a University of Technology generally in South Africa (Frank, Finnegan and Taylor 2004:30; Giancola, 2008:12-25). Ng’ethe, Iravo and Namusonge (2012:205) indicate that the most valuable asset available to an organisation is its people; consequently, retaining employees in their jobs is crucial for any organisation. In South Africa, the retention of highly skilled employees is critical, particularly because of the need to contribute to economic growth, innovation and poverty eradication (National Development Plan, 2011).

Owing to the competition for scarce skills, the attraction and retention of quality employees has emerged as the biggest challenge in human capital management, which phenomenon has also arisen in Universities of Technology (Terera and Ngirande, 2014:481). Grobler and Erasmus (2015:33) assert that it is essential to attract and retain high-performing employees is both a concern and a challenge for organisations in general. Given the effort and expense that go into recruitment and retention, does this not imply that affected organisations, and certainly higher education institutions (HEIs) should be paying more attention to determine why their employees leave? Organisations need novel reward systems that attract, retain and satisfy their employees.
1.2. BACKGROUND OF THE STUDY

Higher education institutions are particularly vulnerable to the loss of their highly qualified employees to well-paid offers from the private sector. Without well qualified and committed academic staff, no academic institution can ensure sustainability and quality over the long-term. Higher education institutions are therefore more dependent on the intellectual capital, creative abilities and commitment of their academic staff than most other institutions. However, present and future challenges to all employers around the globe are the persistent skill shortages, which lead to a tight labour market, low productivity, such that both public and private sectors compete for scarce skilled individuals who are capable of making a difference to organisational performance (Chartered Institute of Personnel and Development, 2007:5; World at Work, 2007:10). Due to competition for scarce skills, the attraction and retention of quality employees have emerged as the biggest challenge in human capital management (Terera and Ngirande, 2014:481).

San, Theen and Heng (2012:211) suggest that rewards are one of the most important elements in motivating employees to contribute their best efforts to generate innovative ideas that lead to productivity within an organisation while enhancing business functionality and further improve organisation performance, both financially and non-financially. Aktar, Kamruzzaman and Ali (2012:9) classify these rewards into internal and external rewards. External rewards include salary, incentives, bonuses, promotions and job security while intrinsic rewards are intangible or psychological rewards, such as appreciation, meeting new challenges, a positive and caring attitude from the employer and job rotation after attaining set goals. Sajuyigbe, Olaoye and Adeyemi (2013:27) is of the opinion that employee rewards are regarded as a vital instrument in employee attraction and retention. In order for any organisation to achieve its goals, a committed workforce is essential. Attracting and retaining talent has been a great challenge for organisations competing in a global market. Employee rewards help management retain an efficient and experienced workforce in an organisation. Academic institutions are rethinking their reward strategies to better align them with new realities in order to improve teaching and staff retention. Employee
rewards can serve the purpose of attracting prospective job applicants, retaining valuable employees, motivating employees as well as achieving human resource objectives and obtaining a competitive advantage (Bratton and Gold, 2007:239). Thus, retention of highly skilled employees is now the major concern for many South African Higher Education institutions. This quantitative study investigates the influence of rewards on job satisfaction and organisational commitment of academic staff at selected Universities of Technology in South Africa.

1.3. PROBLEM STATEMENT

To achieve satisfaction and retention of quality staff, sound human resource strategies and practices are required. Higher education institutions are particularly vulnerable to losing their highly qualified employees to well-paid offers from the private sector and headhunting by other higher education institutions (Ngobeni and Bezuidenhout, 2011:9962). It is critical for these institutions to retain intellectual capital that makes it possible to achieve service quality delivery to all stakeholders, including students, government and the community as a whole (Coetzee and Rothman, 2004:29; Van der Berg, Manias and Burger, 2008:87).

To attract, retain and be profitable, organisations need innovative reward systems that satisfy employees. Netswera, Rankhumise and Mavundla (2005:36) warn that unfavorable working conditions and unattractive remuneration packages have in most industries led to skills’ migration. Numerous scholars forecast that talent shortages are going to increase well into the next decade, which will limit the ability of organisations to expand and will jeopardise their chances of survival as global competition becomes more intense (Gordon, 2009:15; Krell, 2011:69). Zingheim and Schuster (2008:37) assert that competition within the labour market continues to increase but the public sector with its traditional reward system is no longer in a favourable position because talented people do not want rewards based on service and entitlement but rather rewards based on the value they add. The key to success in global markets is widely accepted as the capability to recruit and retain skilled personnel (Rosen, Case and
Badat (2008:26) contends that the higher education sector has to compete with industry to retain new skilled academics. Insufficient remuneration of South African academics comparative to occupations in the public, private sector that require parallel levels of qualifications and expertise adds to the predicament. The remuneration differentials between higher education institutions, public and private sectors are remarkable and hence increase (Badat, 2008:26; Du Plooy and Snyman, 2004:45-46; Oshagbemi and Hickson, 2003:125; Pienaar and Bester, 2006:32). Koen (as cited in Pienaar and Bester 2006:32) concur that poor financial remuneration is also one of the most important reasons why young, competent academics cannot be recruited or retained at higher education institutions in South Africa. The consequence of this is lack of morale in the workplace, lack of motivation or commitment, job satisfaction and a failure to retain high quality academics in the higher education sector. The failure to retain talented individuals has been noticeable over the past few years with increased resignations among academics.

1.4. DEFINITION OF TERMS

1.4.1. Talent

Glen (2007:4) defines talent as a unique characteristics, qualities, traits or abilities of people who utilise this to reach the objectives of organisations. Talent is defined as the sum of a person’s abilities, including intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character, as well as an ability to learn and grow (Michaels, Handfield-Jones and Axelrod, 2001:xii). Talent is perceived as something which is valuable, rare and hard to imitate, which leads to exceptional performances, and talented people are often admired and valued (Govaerts, Kyndt, Dochy and Baert, 2011: 36).
1.4.2. Talent attraction

Talent attraction is considered as one of the elements of talent management and includes systems implemented by organisations to ensure that they attract and recruit talented employees of a high quality (Oehley, 2007:25). Talent attraction includes recruitment and selection, employer branding, employee value proposition and employer of choice (Oehley, 2007:26; Armstrong, 2006:395).

1.4.3. Employee retention

Browell (2003:5) defines employee retention as “keeping those members of staff that one wants to keep and not losing them from the organisation for whatever reason, especially to the competitors”. Employee retention is a tacit or deliberate set of actions taken in order to retain employees in an organisation.

1.4.4. Job satisfaction

Robbins and Judge (2007:79) define job satisfaction as a positive feeling about one’s job resulting from an evaluation of its characteristics. Worrell (2004:10) adds that the terms job attitudes, work satisfaction and job morale are used interchangeably, which may explain the lack of a standardised job satisfaction definition. Luthans (2005:212) agrees with Locke’s assertion that job satisfaction is a pleasurable positive emotional state resulting from the appraisal of one’s job or job experience. Job satisfaction is defined as “the quality of work life as experienced by employees and the condition that could be promoted by social responsibility programs executed by their employer” (Chimanikire, Mutandwa, Gadzirayi, Muzondo, and Mutandwa, 2007:167).
1.4.5. Job dissatisfaction

Burmeister (2004:350) defines “the degree to which individuals feel negatively about their jobs. It is an emotional response to the tasks, as well as to the physical and social conditions associated with the workplace.”

1.4.6. Organisational Commitment

Meyer and Allen (1997:67) define organisational commitment a psychological state that characterise an employee’s relationship with the organisation and has implications for the decision to continue membership of the organisation. Mowday, Porter and Steers (1982:27) define attitudinal commitment as the relative strength of an individual’s identification with, and involvement in a particular organisation. It can be characterised by at least three related factors: (i) a strong belief in, and acceptance of the organisation’s goals and values; (ii) a willingness to exert considerable effort on behalf of the organisation; and (iii) a strong desire to maintain membership in the organisation.

1.4.7. Academic staff

According to the Higher Education Statistics Agency (HESA Insight 2009: 1), the definition of academic employees is that of academic professionals within HEIs, who are accountable for the planning, undertaking and directing of teaching and research.

1.4.8. Higher Education Institutions

According to Council of Higher Education, Higher Education Act (1997:8), higher education institutions refer to any institution that provides higher education on a full-time, part-time or distance basis and which is:
(a) established or deemed to be established as a public higher education institution under this Act;
(b) declared as a public higher education institution under this Act; or
(c) registered or conditionally registered as a private higher education institution under this Act.

1.4.9. Total rewards

World at Work (2007:4) defines total rewards as everything, which includes programmes, practices, elements, and dimensions that collectively define an organisation’s strategy to attract, motivate and retain employees. These rewards virtually comprise compensation and benefits, and sometimes include other tangible elements (e.g. development). Armstrong and Murlis (2004:23) argue that total rewards is “essentially focused on understanding what elements of the work environment employees themselves regard as rewards for their work in addition to traditional pay and benefits, and which they find most motivating and engaging”.

1.4.10. Reward Management

Bratton and Gold (2000:238) define reward management as a fundamental regulation of the employment relationship, which act as a central pillar of human resource management. Armstrong and Stephens (2006:3) add that the ultimate aim for the organisation is to be assisted in the realisation of its strategic goals.

1.5. AIM OF THE STUDY

This study aims to investigate the impact of employee rewards on job satisfaction and organisation commitment among academic staff in selected universities of technology in South Africa. Based on the findings of the study, the higher education sector can
improve and encourage the usage of employee rewards to reduce staff turnover among academic employees.

1.6. OBJECTIVES OF THE STUDY

The objectives of the study are as follows:

- to gauge the perception of academic staff with regard to employee rewards;
- to investigate the impact of employee rewards on organisational commitment among academic staff;
- to determine the impact of employee rewards on job satisfaction among academic staff;
- to establish whether there is a correlation between employee rewards and job satisfaction;
- to develop an exploratory model on employee rewards aligned to job satisfaction and organisational commitment at selected universities of technology; and
- to recommend to the human resource managers and top management on possible strategies to improve employee rewards based on the research findings.

1.7. RESEARCH QUESTIONS

The following research questions have been formulated:

- What is the perception of academic staff towards employee rewards?
- To what extent does employee rewards influence organisational commitment among academic staff?
- How do employee rewards influence job satisfaction among academic staff?
- How can universities of technology enhance job satisfaction by using employee rewards?
• Which employee rewards interventions can be utilised by universities of technology to ensure retention of staff?

1.8. SIGNIFICANCE OF THE STUDY

Vithal and Jansen (2003:11) affirm that a rationale is how the researcher develops an interest in the topic and why the researcher believes the research is worth doing. Highly qualified and experienced employees of the academic institutions are continuously leaving in search of greener pastures and opportunities in other institutions and in the private sector. Those left behind may end up underperforming due to low motivation as a result of insufficient reward strategies (Said Al-Jarradi, 2011:18). This study should assist the management of universities of technology to have the opportunity to be more aware about the influence of employee rewards on job satisfaction and organisational commitment. The findings of the research should also contribute to broader understanding in both public and private sectors on the significant role of employee rewards in job satisfaction and organisational commitment among employees. The study will benefit other institutions of higher learning i.e. traditional universities, universities of technology to understand employee rewards that best drive job satisfaction and organisational commitment. The study contributes to the body of knowledge and be a useful source of original information for future research regarding this topic.

1.9. SCOPE OF THE STUDY

The focus of the study is on the academic staff at two universities of technology, namely, Central University of Technology (CUT) based in Bloemfontein and Tshwane University of Technology (TUT) based in Pretoria. These two UoTs have been selected because of its proximity to the researcher. Moreover, both have a large component of academic staff and located in different provinces.
1.10. EMPLOYEE REWARDS IN ORGANISATIONS

In today’s business world, retention of valuable employees is one of the most critical issues confronting leaders (Mayfield and Mayfield, 2008:41). Talented employees with competencies which are critical for the survival of an organisation are difficult to retain because they often attach more importance to their own career path than to organisational loyalty, which in turn can result in voluntary turnover (De Vos and Meganck, 2009:45-46). Organisations need to explore alternative methods to retain key talent to ensure business success. Employee rewards can serve the purpose of attracting prospective talented employees, retaining valuable employees, motivating employees as well as assisting in achieving job satisfaction and organisational commitment while obtaining competitive advantage (Bratton and Gold, 2007:237). Bayisa and Zewdie (2010:14) acknowledge that the main purpose of the employee rewards is to attract and retain competent employees while ensuring job satisfaction. It is essential for organisations to create a balance between employee’s contribution and the higher education institution’s contribution to employees. A clear focus on employee rewards will enable organisations to retain its workforce. Nujjoo and Meyer (2012:1) affirm that employee rewards management is one of the key strategies used to create a motivated and committed workforce, while Ramlall’s (2004:52) study reveals that employees who are motivated and committed to the organisation are less likely to quit. There has been a high influx of mobility amongst employees, which makes it difficult to retain talented employees. According to Snelgar, Renard and Venter (2013:4), remuneration has been defined as the driver of staff retention, job satisfaction, as well as employee commitment in South Africa. Nujjoo (2012:2) concurs that it is challenging to retain employees in South Africa because large number of skilled employees emigrate for better opportunities.

Nujjoo and Meyer (2012:9) assert that it is important for South African organisations to emphasise the value of intrinsic rewards as part of their rewards management strategies. Grobler, Warnich, Carrel, Elbert and Hatfield (2011:351), Meyer and Kirsten (2012:402) state that the objectives of a South African compensation system include attracting highly qualified employees while motivating and retaining them through
rewards. Reward practice is essential, both for reinforcing behaviour and as an incentive or motivator for achieving overall organisational performance (Zakaria, 2011:142). Markova and Ford (2011:813) state that the real success of organisations originates from employees’ willingness to use their creativity, abilities and know-how in favour of the organisation and it is the organisation’s task to encourage and nourish these positive employee inputs by putting in place effective reward practices. San, Theen and Heng (2012:211) suggest that the use of rewards is one of the most important elements motivating employees to contribute their best efforts to generate innovative ideas that lead to better business functionality and further improve the organisation’s productivity. In the effective management of rewards strategies, organisations are likely to attract, retain and capitalise on the benefits of a loyal and high-calibre workforce. Grobler et al. (2012:403) observe that inadequate compensation is often the cause of turnover. Compensation is the most critical issue when it comes to attracting and retaining talent (Chew, 2004:4). Compensation represents both intrinsic and extrinsic rewards that employees receive for performing their jobs. Intrinsic compensation reflects employees’ psychological mind-sets that result from performing their jobs while extrinsic compensation includes both monetary and non-monetary rewards (Martocchio, 2013:4). Pratheepkanth (2011:85) argues that the reward system is an important tool that management can use to channel employee motivation in desired ways. If the reward strategies are implemented effectively in the organisation they can act as a retention strategy.

1.11. IMPORTANCE OF JOB SATISFACTION

The concept of job satisfaction has been researched for more than half a century and is still of interest today (Lam, Zhang and Baum, 2001:158; Eyupoglu and Saner, 2009:686). Wood, Fromholtz, Wiesner, Creed, Schermerhorn, Hunt and Osborne (2010:56) describe job satisfaction as the degree to which an employee feels positively or negatively about his or her work. It is among the most important attitudes that influence human behaviour in the workplace. This interest may be due to the implications that job satisfaction has for job-related behaviours, such as productivity, employee absenteeism and turnover, as well as employee relations (Eyupoglu and
Saner 2009:686). A satisfied employee holds a positive attitude towards his/her job, while a dissatisfied employee holds a negative attitude towards it (Robbins, *et al.* 2003:72; Appelbaum, Bartolomucci, Beaumier, Boulanger, Corrigan, Dore, Girard and Serroni, 2004:22). In line with Werner, Bagaim, Cunningham, Potgieter and Viedge (2009:334), job satisfaction is a personal appraisal of the job and the psychological experience at work. It is a measure of the general attitude of a specific individual towards his/her work.

Research studies on job satisfaction have been done in different industries, such as telecommunications (Kwenin, Muathe and Nzulwa, 2013:13-20; Fareed, Abidan, Shahzad, Amen, and Lodhi, 2013:431-442); healthcare (Akanbi, 2012:18-22); service industry (Sarwar and Aforge, 2013:23-32); banking (Jehanzeb, Rasheed and Aamir; 2012:272-278); and higher education (Mustapha, 2013:244-248). These rewards can be in the form of promotion, monetary value and any other type of reward which can increase the efficiency of employees on job satisfaction. Some rewards are paid on a sincerity basis while other rewards are paid on the basis of ability. Job satisfaction has a strong relation with job rewards (Danish and Usman, 2010:160), while job rewards can enhance and diminish the satisfaction of employees. Employee rewards play an important and satisfactory role for the development, performance and growth of an organisation (Rafq, Javed Khan and Ahmed, 2012:337). According to Chinaminikire, Mutandwa, Gadzirayi, Muzondo and Mutandwa (2007:167), job satisfaction is a pleasant emotional state resulting from the evaluation of one’s job, an effective feedback to one’s job and attitude towards one’s job. Jeffrey (2008) states that there is an influence of intrinsic rewards on employee satisfaction since these rewards improve job satisfaction of employees. His study also reveals that financial rewards are significant for job satisfaction. The employee rewards other than financial incentives may also hinder job satisfaction of the employees. The opportunities to learn skills and advancements are important for job satisfaction. Hunjra, Chani, Aslam, Azam and Kashif-Ur-Rehman (2010:15) postulate that there is a positive relationship among job satisfaction and employee rewards. Danish and Usman (2010:163) conducted a study in the different sectors, such as telecommunications, education, health and manufacturing, and suggested that employee rewards and recognition have a significant influence on job satisfaction. Participation in decision-making also
improves the satisfaction of employees. Hunjra, et al. (2010:15) studied the different intrinsic and extrinsic rewards and their relationship with employee job satisfaction. Their study was conducted in the service industry and revealed that there was a strong factor of employee work satisfaction, employee rewards (task autonomy, task significance and task involvement) in relation to job satisfaction of the employees. Their study also discovered that there was a significant relationship between intrinsic rewards and employee job satisfaction (Hunjra, et al. 2010:15).

1.12. EMPLOYEE REWARDS AND ORGANISATIONAL COMMITMENT

A study by Mercer (2003:8) revealed that employees will remain in an organisation if they are well rewarded and also they may leave if they are poorly rewarded. Davies (2001:55) states that employees are likely to stay in an organisation where they believe that their capabilities, contributions and efforts are appreciated. The concept of organisational commitment has influenced considerable interest in an attempt to understand and simplify the intensity and determination of an employee’s dedication to the organisation (Lumley, 2010:2). Gbadamosi (2003:9) asserts that the more favorable an individual's attitudes toward the organisation, the greater the individual's recognition of the goals of the organisation, as well as their eagerness to exercise more effort on behalf of the organisation. A study by Aamodt (2007:335) revealed that satisfied employees tend to be committed to an organisation; employees who are satisfied and committed are more likely to attend work, stay with an organisation, arrive at work on time, perform well and engage in behaviors helpful to the organisation. Kotze and Roodt (2005:51) highlight that there is a strong correlation between job satisfaction and employee commitment. A good reward system attracts, motivates and satisfies employees in their jobs. Furthermore, good rewards forster personal growth and development and reduce labour turnover (Kreitner and Kinicki, 2008:256). Wood et al. (2010:57) explain that organisational commitment refers to the degree to which a person strongly identifies with, and feels part of the organisation. In addition, Cunningham (2012:74) states that an employee with a high level of organisational commitment wishes to maintain membership of the organisation, and this commitment differs from other types, such as occupational commitment. Russo and Buonucone
(2013:94) further explain that organisational commitment is the psychological attachment of an employee towards the organisation. Moreover, Martin (2007:19) describe organisational commitment as a cognitive predisposition towards a focus as it has the potential to satisfy needs, realise values and achieve goals. Martin (2007:18) summarises organisational commitment as having the following characteristics traits:

- identifying with an organisation and its goals and values (identification);
- having a strong desire to maintain investment with the organisation (loyalty); and
- being willing to work extra hard on behalf of the organisation (involvement).

Al-Ahmad (2009:56) states that organisational commitment, in summary, is described as the personal sacrifices an employee makes toward an organisation’s survival, the cohesion that exists between that employee and other people in the organisation, and the acceptance of the firm’s norms by the employee. In addition, organisational commitment encompasses an employee’s belief in an organisation’s goals and values, and reflects a desire by an employee to remain a member of the organisation and be loyal to it. Jernigan, Beggs and Kohut (2002:564) explain that organisational commitment represents not only an attitude that describes an individual’s linkage to the organisation, but also a set of behaviours by which individuals manifest that link. Organisational commitment is the psychological link between employees and their organisations. Employees who are committed to their organisations are less likely to leave their jobs voluntarily (Meyer and Allen, 1997:11; Vallejo, 2009:137). Committed employees have an active curiosity, a passion for learning, a willingness to challenge the status quo, and an eagerness to experiment with new methods and strategies (Jafri, 2010:62). Organisational commitment is a psychological state that impels an individual towards a course of action of relevance to one or more targets (Smith, Mitchell and Mitchell, 2009:821). As such, organisational commitment is a psychological attachment, bond, or attitude that links an individual to an idea or entity, and subsequently influences behaviour in ways that are consistent with that idea or entity (Smith, et al., 2009:821).
1.13. STRUCTURE OF THE DISSERTATION

Chapter 1 demarcates the overview of the study. An introduction to the study is followed by the research problem, aim of the research, objectives of the study, rationale and scope of the study are presented in Chapter 1.

Chapter 2 highlights an extensive literature review that is presented in this chapter. It presents an in-depth literature review on rewards management. The implementation of total rewards and its challenges in organisations and success factors are given.

Chapter 3 provides further expansion of the literature review on staff retention, talent attraction, job satisfaction, organisational commitment among academic staff.

Chapter 4 deals with the formulation of the proposed model on employee rewards, job satisfaction and organisational commitment.

Chapter 5 deals with research methodology and design, identifying the target population, instruments and procedures used for data collection as well as procedures used during the data analysis. It also considers ethical considerations.

Chapter 6 presents the data analysis and interpretation of results. A discussion of findings from data gathered is analysed using SPSS and AMOS version 24.0 for Windows.

Chapter 7 outlines the conclusion and recommendations with regard to employee’s rewards, as well as suggestions for future research.
1.14. CONCLUSION

This chapter provides a background and overview to the research problem pertaining to the benefits derived from the brief literature reviewed on the influence of employee rewards on job satisfaction and organisational commitment among academic staff at selected universities of technology in South Africa. The exploratory framework linking employee rewards, job satisfaction and organisational commitment is beneficial to use in UoTs to attract and retain talent. In the next two chapters a literature review on the influence of employee rewards on job satisfaction and organisational commitment underpinning this study is provided.
CHAPTER 2:
THE INFLUENCE OF EMPLOYEE REWARDS IN HIGHER EDUCATION INSTITUTIONS

2.1. INTRODUCTION

Higher education Institutions (HEIs) face an increasing number of obstacles in a changing global environment. Some of these must be considered by the management inter alia, and include the management of human capital within the institutions. The goal of a higher education institution is to provide in-depth knowledge, seek academic development and educate students to meet the national development of skill demands. Strydom (2011:15) states that human capital factors should be considered if higher education institutions aim to achieve their goals. Owing to the demand for scarce skills, the attraction and retention of quality employees has emerged as the biggest challenge in human capital management, and this phenomenon has also risen in higher education institutions (Terera and Ngirande, 2014:481). To attract and retain employees, these institutions need novel reward systems that satisfy employees. San, Theen and Heng (2012:211) suggest that rewards are one of the most important elements that motivate employees to contribute their best efforts in generating innovative ideas that lead to productivity within an organisation.

Aktar, Kamruzzaman and Ali (2012:9) classify these rewards into internal and external rewards. External rewards include salary, incentives, bonuses, promotions and job security. Intrinsic rewards are intangible or psychological rewards, such as appreciation, meeting new challenges, a positive and caring attitude from the employer and job rotation after attaining set goals. Sajuyigbe, Olaoye and Adeyemi (2013:27) opine that employee rewards are regarded as a vital instrument in job satisfaction and organisational commitment. However, Badat (2010:26) states that South African academics are inadequately remunerated compared to occupations in the private sector that require similar levels of qualifications and expertise. The remuneration differentials between universities and the private sectors are significant and have been widening. Consequently, the private sectors wield a powerful pull on current academics with Masters and Doctoral degrees. Furthermore, the improvement of
rewards in the academic profession may lead to increased job satisfaction while ensuring organisational commitment among staff.

This chapter provides a synopsis of the literature on employee rewards in order to provide a model to contextualise the study and a discussion of the various models of rewards. This review assisted with the design of the semi-structured questionnaire that was administered to participants in order to elicit their perceptions on the influence of rewards on job satisfaction and organisational commitment among academic staff at universities of technology in South Africa. The chapter further provides a detailed analysis of the concepts of Reward Management and Total Reward (TR), offering several perspectives before discussing the aims and various components of these variables. It also explores Reward Strategy and Total Reward as a particular strategic approach that has emerged in more recent years. The concept of Total Reward is explored in depth in the context of its importance to employers and the perceived benefits it brings to the higher education institutions.

2.2. REWARDS MANAGEMENT IN ORGANISATION AND ITS INFLUENCE IN HIGHER EDUCATION INSTITUTIONS

The research in this area believes that employees job satisfaction affects employees’ performance and overall productivity of the institution (Haider, Aamir, Hamid and Hashim, 2015:341). The significance of job satisfaction and organisational commitment of academic staff has prompted higher education institutions to design numerous policies to preserve their proficient workforce (Haider, et al., 2015:341). In an attempt to ensure employees’ optimal satisfaction and retention, higher education institutions need to consider variety of appropriate ways to reward these employees in order to get desired results (Falola, Ibidunni and Olokundun, 2014:64). Thus rewards management is seen to be the key. The concept of reward management underpins total rewards, which is the focus of this study. There is rising need for higher education institutions to develop reward systems that motivate staff to work harder and faster. Efficient reward systems funnel employees’ efforts towards realisation of its goal
(Mujtaba and Shuaib, 2010:112) as they help maintain a positive motivational environment for workers, and determine both business goals and employee values essential in organisational performance. Osibanjo, Adeniji, Falola and Heirsmac (2014:66) confirm that the degree to which employees are satisfied with their jobs and their readiness to remain in an organisation is a function of compensation packages and reward systems of the organisation. Hence, reward management necessary in order to achieve job satisfaction and organisational commitment.

2.2.1. The concept of rewards management

Similarly, higher education institutions are anticipated to produce leadership qualities among students, promote social justice, knowledge sharing, talent development and contribute to overall development of economy. How these duties can be carried out depends upon highly qualified and competent academic staff. Steel and MacDonnell (2012:3) attest that job satisfaction and employee recognition are among behaviours that contribute to an organisation’s success. These behaviors can be managed by using traditional concept of employee rewards (Haider, et al., 2015:343). Higher education institutions nowadays should extensively focus on management of reward practices. These institutions face challenges of satisfaction and high turnover issues from their employees (Haider, et al. 2015:343); they find it tough to attain a competitive advantage in the absence of less effective rewards policies (Kwenin, Muathe and Nzulwa, 2013:16). Reward management is a concept that would convey the signal to employees that they are being valued and appreciated (Shoaib, Noor, Tirmizi and Bashir, 2009:14).

Bratton and Gold (2000:238) define reward management as a fundamental regulation of the employment relationship, which acts as a central pillar of human resource management. Armstrong and Stephens (2006:3) produced a very similar definition, but added that the ultimate aim for the organisation is to be assisted in the realisation of its strategic goals. Reward management involves the formulation and implementation of strategies and policies. However, rewards policies and practices in higher education institutions must support the vision, mission and strategies and
objectives Higher Education South Africa (HESA, 2014:1). These policies and strategies suggest that employees should be rewarded fairly, equitably and consistently in accordance with the value they bring to the organisation while striving to assist the organisation to achieve its strategic goals. HESA (2014:4) speculated that higher education institutions as the employer must comply with current legal prescriptions (e.g. Basic Conditions of Employment Act) as well as contractual obligations in terms of employment relationship. According to Longo (2014:1), reward management aims at influencing employees’ actions and behaviour in order for organisations to attain their overall business objective and aims.

Armstrong (2012:6) states that reward management deals with strategies, policies and processes required to ensure that the value of people and the contribution they make to achieving organisational, departmental and team goals is recognised and rewarded. HESA (2014:4) states that rewards must make a provision for fair differentiation in the remuneration of individuals based on the acceptable determinants of remuneration. Furthermore, it is about the design, implementation and maintenance of reward systems (interrelated reward processes, practices and procedures), which aim to satisfy the needs of both the organisation and its stakeholders and to operate fairly, equitably and consistently. Thus, higher education institutions need to adopt rewards strategies for attracting, retaining and motivating staff while being competitive in a regional and global higher education arena (Akthar, Aamir, Khurshid, Abro and Hussain, 2015:256). Moreover, these rewards are a mechanism for improvement of performance.

2.2.2. Perspective of rewards management in higher education institutions

In higher education institutions there is a significant prerequisite of a reward system that not only holds academic staff but empowers them to achieve the objective of producing endowed workforce. According to Shields (2007:30), reward management is not solely concerned with financial rewards. It is also concerned with non-financial ones, such as recognition, communication, work environment, training and career development. The financial rewards range from base pay, pay for performance, pay
for skills and competencies, and indirect financial rewards such as benefits. Individuals are motivated by different factors, but employers usually use money as the primary strategy for retaining employees. Hence, higher education institutions should design effective financial and non-financial reward packages for employees (Haizer, et al., 2015:342). The majority of employers consider financial rewards as the best tool to inspire their employees. However, some employers use special types of non-financial rewards to upturn the contentment and motivational level of their employees. Similarly, Longo (2014:1) is of the view that reward management cannot be considered, developed and managed independently without other human resource management practices, business strategy and organisational culture. Therefore, reward management should be used by employers as an additional powerful system by means of which it not only more easily achieves their intended objectives but fosters integrity and endorses desired behaviour within higher education institutions (HESA, 2014:5). These objectives are quite difficult to achieve but successful identification, development and execution of the right approach can undoubtedly help employers attain organisational goals. Since reward management is concerned with the organisation’s strategy, it also needs to be strategic and constantly fitting the changing business environment.

Said Al-Jarradi (2011:26) is of the view that the majority of consultants in the field of reward management believe that a major shift has occurred in strategic direction and strategic reward management. Furthermore, Jiang, Xiao, Qi, and Xiao (2009:177) confirmed that modern reward management is achieved through total reward management, which includes more attractive tangible and intangible rewards, thereby being a popular modern approach in a variety of organisations. It is an approach with credibility in this highly developing world. The sophistication of reward management is also emphasised by White and Drucker (2000:219) who observe that “the management of reward is a complex and perplexing task”. Likewise, Bratton and Gold (2000:237) assert reward management to be “the most difficult HRM task for the general manager”. Business strategy is now a key focus of reward management, as “to be successful, companies must be especially attentive to a number of important issues related to human capital, and these issues, must be strategic ones” (Hitt, Black and Porter, 2009:10). Furthermore, higher education institutions are not operating in
a silo. Higher education institutions, therefore, need to adapt to what is happening in the private sector and implement these rewards at their institutions as they influence job satisfaction and organisational commitment.

2.2.3. Aims of rewards management in higher education institutions

Reward management is not just about pay and employee benefits. It is also includes non-financial rewards, such as recognition, learning and development opportunities and increased job responsibility. HESA (2014:4) confirms that the sole purpose of rewards in higher education institutions in South Africa is to attract and retain staff of high quality. Furthermore, Armstrong (2012:6) suggests the implementation of the following aims of reward management in any organisation:

- Support the achievement of business goals by development of a performance culture and stimulating high performance.
- Align reward practices with employee needs.
- Reward people according to the value they create.
- Attract and retain the high quality people the organisation needs.
- Motivate and win the engagement of employees.

A rewards system should be linked with goal-setting, employee development, competency measures and team performance. This will translate into better reward systems and better morale among employees (Mujtaba and Shuaib, 2010:113). Therefore, the assertion of Armstrong (2012:6) affirms the necessity for higher education institutions, in particular University of Technology (UoT), to adapt and implement it. These rewards can enable the institutions to attract and retain talent, as asserted by Snelgar, Renard and Venter (2013:4) who affirm that remuneration is a driver of retention, job satisfaction and employee commitment in South Africa. Furthermore, they can be designed using rewards philosophy.
2.2.4. Rewards philosophy in higher education institutions

Rewards philosophy consists of the set of values and beliefs that influence reward strategy, design and operation of the reward system (Armstrong, 2015:6). In order to develop a reward strategy, a reward philosophy will be more relevant since it defines how to reward individuals while obeying organisation values and standards (Longo, 2014:94). Rose (2014:12) defines rewards philosophy as a set of guiding principles, a description of beliefs of rewards and how it should operate within the organisation. Armstrong (2012:7) further asserts that an organisation’s reward philosophy may be defined and set out in the form of guiding principles while it may be implicit, and that all organisations should have a reward philosophy to govern reward practice even if they do not articulate it. The background of academic staff remuneration in higher education institutions, is the single largest expense, and given the current wide ranges of remuneration in the sector it is necessary to develop its philosophy (HESA, 2014:2). According to Towers Perrin (2009:1), the key elements of an effective total reward strategy include a robust overall philosophy. Fuehrer (1994:54) states that a total reward philosophy represents the broad values and beliefs that an organisation holds about rewards. Armstrong (2004:73) affirms that reward philosophy “provides the guiding principles and sets out the beliefs and values upon which reward strategies, policies and procedures are based”. HESA (2014:1) guideliness provide the following:

- establishment of appropriate forums to deal with institutional rewards;
- establishment of appropriate principles and terms of reference to guide these rewards; and
- development of remuneration policies

However, Blackburn and Bremen (2003:2) claim that the total rewards philosophy needs to reflect the organisation’s goals as well as reinforce its desired culture. In addition, reward philosophies are concerned with the ways in which people are paid, the levels of payment, the extent to which pay should be related to performance, the scale of employee benefits and the adoption of total reward policies, which provide for both financial and non-financial rewards. Longo (2011:2) affirms that the reward philosophy covers a degree to which practices are ethical in the sense that they are
fair, equitable and transparent. The reward philosophy’s main objective is to foster standards and behaviour amongst staff.

Longo (2014:94) contends that a reward philosophy in higher education institutions should aim at enhancing productivity while promoting high performance and significant contribution to a firm’s efficiency. Employers should be aware of and seriously also consider this aspect amongst all of the other factors influencing a reward strategy and philosophy formulation and review. External legal developments, for instance, have remarkably accounted for equity and fairness to be taken into account amongst the tenets to consider when developing reward philosophies. In many countries, governments have, in fact, introduced equal pay. Armstrong (2006:624) recommends that in order to help and facilitate the practical translation of a reward strategy and philosophy into policies and practices, it is particularly important for organisations to also identify a set of guiding principles defining the approach and guidelines to reward management. Thus, higher education institutions are not isolated as rewards philosophy should influence job satisfaction and organisational commitment. While developing the rewards philosophy, guiding principles should be designed to complement it.

2.2.5. Guiding principles in management of rewards in higher education institutions

Armstrong (2012:7) states that rewards guiding principles should specify the approach an organisation proposes to use in managing rewards. Armstrong (2015:7) further states that reward guiding principles are concerned with the following imperatives:

- to develop reward policies and practices which support the achievement of business goals;
- to provide rewards which help to develop a high-performance culture and attract, retain and motivate staff;
- to maintain competitive rates of pay;
- to remunerate employees according to their contribution;
to recognise the value of all staff who are making an effective contribution, not just the exceptional performers;

- to allow a reasonable degree of flexibility in the operation of reward processes and in the choice of benefits by employers; and

- to delegate more responsibility for reward decisions to line managers.

These perspectives are also endorsed by Bussin (2011:3); Kwon and Hein (2013:33). Furthermore, Rose (2014:6) attests that reward guiding principles are often agreed by top management with advice from organisation reward specialists or external consultants. They are more acceptable if members of the organisation are involved in the input. Armstrong (2012:8) suggests that reward guiding principles must be communicated to everyone to increase understanding of what underpins reward policies and practices. Reward guiding principles can be considered as something in between a reward philosophy and the policies and practices emanating from it. However, Armstrong (2015:7), Bussin (2011:3) Kwon and Hein (2013:3) assert that these principles are intended to facilitate the shift from theory to practice. Thus, HESA’s (2014:5) guiding principles speculate that remuneration policies and practices must support strategic objectives of higher education institutions. Thus, these perspectives are relevant to higher education institutions, in particular universities of technology (UoT) in order to influence job satisfaction and organisational commitment.

2.2.6. Practical implementation of rewards philosophy in organisations

The organisations’ reward philosophy and reward guiding principles enable them to constantly translate policies into practices. This might appear to be the most tedious and uninteresting part of reward management. Therefore, ineffective implementation of rewards can result in the failure of the organisation. Particular care and attention needs to be paid to this aspect from the outset (Longo, 2011:3). Moreover, although this part of the process is essentially concerned with theory, its practical implications are absolutely remarkable and crucial for the successful implementation of a reward strategy. As suggested by Armstrong (2010:53), the guidelines and recommendations contained in the rewards that guide principles to identify practical initiatives which
Implement rewards are also of paramount importance as they communicate to employees the mechanism of the reward system. However, HESA (2014:6) concurs that university councils are responsible for ensuring the implementation of remuneration policies based on the needs of the university and on the best practices of the remuneration committee. Moreover, human resources management department in universities should design and maintain job grading, remuneration structures based on a remuneration policy (HESA, 2014:7). Rewards guiding principles are intended to establish and identify the position of the organisation vis-à-vis the most important reward issues. These are intended to help employers to identify and to fix some of the most important and frequent matters usually associated with reward management. Rose (2014:6) affirms that the rewards philosophy should provide sound answers to the most frequent matters, such as questions that arise during reward strategy and practices preparation.

2.3. EMPLOYEE REWARDS IN ORGANISATIONS

Aktar, Sachu and Ali (2012:9) concur that rewards are one of the most important elements to motivate employees for contributing their best effort to generate innovative ideas that lead to productivity within the organisation. Perrin (2007:1) adds that reward systems consist of compensation (pay and bonuses), benefits, learning and development in the work environment. Sutherland (2004:55) highlights that rewards are the elementary component of the employment relationship. Smit, Cronje, Brevis and Vbra (2007:334) assert that employee reward systems are used to strengthen anticipated performance. Thus, attracting suitable candidates, retaining suitable talent, motivating employees and complying with the laws are all objectives of compensation systems (Grobler, Warnich, Carrell, Elbert and Hatfield, 2006: 351). Longo (2014:44) acknowledges that employers find it difficult to attract, retain, motivate and engage staff. However, Longo’s (2014:44) research reveals that over the years that there is no effective and lasting strategy other than reward packages. Individuals are no longer expected to receive just a salary in exchange for the activities they carry out and the results they produce. Employees expect employers to offer them financial rewards for their contribution, opportunities to perform significant jobs and prospects for growth.
and development. In addition, employees are offered a higher level of involvement in their job planning and to have their say in the design of the job they carry out and the way it is executed.

Kreitner (2004:439) concurs that all employees, including volunteers who dedicate their time to worthy causes, expect to be rewarded in some way for their contributions to the success of an organisation. Kreitner (2004:440) claims that rewards are all material and psychological payoffs for performing excellent tasks in the workplace. Employee rewards can be classified as either extrinsic or intrinsic. Extrinsic rewards are payoffs granted to the individuals by employers such as money, employee benefits, promotions, recognition, status symbols and praise, while intrinsic rewards are self-granted and internally experienced payoffs such as sense of accomplishment, self-esteem and self-actualisation (Kreitner, 2004:441). Bayisa and Zewdie (2011:25) indicated opportunity for growth and career development (i.e. further education), job security, job freedom are some of the major rewards available to academic staff in higher education institutions. However, available reward systems of the higher education institutions other than basic salary are very poor (Bayissa and Zewdie, 2011:25). Employee rewards specify the value of employees by committing their time and effort towards the attainment of the organisation’s intentions. In this regard, employers are obliged to create an appealing reward package to attract and retain valuable employees into their organisations. Thus, employee rewards become significant in supporting job satisfaction as it not only fulfils the essential needs over and above the reward, but also helps attain a higher level of organisational objectives. Employee rewards, therefore, are important contributors for job satisfaction and organisational commitment.

2.4. OBJECTIVES OF EMPLOYEE REWARDS IN ORGANISATIONS

Remuneration objectives are guiding principles that determine the nature of a reward system. They serve as principles against which the effectiveness of the system is evaluated. In higher education institutions, objectives of rewards include but not limited to attracting and retaining staff of high quality and potential (HESA, 2014:4).
Furthermore, the aim of the rewards is to attract, enhance and retain relevant expertise through interventions such as employment equity, rewards, succession planning and skills development opportunities with higher education institutions (TUT Strategic Plan 2008-2012:9). According to Swanepoel, et al. (2014:615), the core objectives of the remuneration system are to attract, retain and motivate employees. Grobler, et al. (2011:402) postulate that the goals of any organisation in designing a reward system should be to attract and retain talented employees. The main objectives of a compensation system include “striking efficiency and equity (both internal and external equity); aligning individual employee with strategic business objectives” (Greenberg and Baron, 2010:111; Bogardus, 2004:90-92). Dowling, Festing and Engle (2008:20-22) concur that organisations are recognising that individual employee efforts are integrated with strategic business objectives and a compensation system becomes a source of competitive advantage.

The attainment of this competitive advantage requires the introduction of the compensation system that adds value to the attainment of strategic business objectives. Therefore, a compensation system is one such tool, which management must decide what combination of pay systems would best communicate its organisation’s strategy (Hill and McShane, 2008:330). The rewards system should be motivational for employees and it comply with all legal requirements. Organisations that offer competitive and attractive remuneration are likely to attract most applicants and can therefore recruit talented staff. It is important to retain a competitive pay-level strategy. An organisation, therefore, needs some knowledge of the going rate in the labour market. Grobler, et al. (2011:402) emphasise that using remuneration surveys which estimate average salaries for employees, especially on the entry-level, positions it as a yardstick to attract and retain talented employees. Strategically, a university of technology reward system should maintain cost effectiveness since the system often constitutes the single largest operating cost of an organisation and should therefore be designed and assessed from a cost-benefit perspective. Moreover, a systematic pay structure is therefore needed to prevent undue expense and possible over or underpayment of employees’ salaries (Armstrong, 2015:53).
2.5. PERSPECTIVES OF TOTAL REWARDS

Taylor (2011:140) states that “total rewards involves designing a rich mix of complementary initiatives which aim to maximize the chances that employees will find their work to be ‘rewarding’ in the widest sense of the word”. In addition, Taylor (2011:140) adds that this concept is broad in its application. Aligning this reward system design with the overall strategy of the organisation that is not perceived to be ad-hoc is considered to be a key factor in its success. This is in accordance with Stredwick (2000) in his case study on aligning rewards to organisational goals within a multinational pharmaceutical company. Kaplan (2007:16) defines total rewards as everything that the employee values in the employment relationship. It includes aspects like compensation, benefits, development of the employee and a flexible and fun working environment. A holistic approach, which aligns the reward offered with the business and people strategy of the organisation is therefore critical (Kaplan, 2007:16). According to Shields (2007:30), compensation includes pay, incentives and monetary recognition programmes.

According to Armstrong and Murlis (2004:11), total rewards encompass not only traditional, quantifiable elements like salary, variable pay and benefits. They should include intangible non-cash elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by the work itself and the quality of working life provided by the organisation. Gross and Friedman (2004:8) affirm that total rewards include the overall value proposition that the employer offers the employee. The total package would include compensation, benefits and career. Career refers to the opportunity to learn, grow, and advance careers. Similarly, Kantor and Kao (2004:9) suggest that total rewards that refer to compensation and benefits, are sometimes tangible elements such as employee development, which focuses on how employees are given opportunities to develop and learn more skills.
Manus and Graham (2003:6) assert that total rewards include all types of reward, indirect as well as direct, and intrinsic as well as extrinsic. Each aspect of reward, namely, base pay, contingent pay, employee benefits and non-financial rewards, which include intrinsic rewards from the work itself, are linked together and treated as integrated into a coherent whole. However, World at Work (2007:4) contend that total rewards “draws together all the financial and non-financial investment an employer makes in its workforce”. Gonzalez (2008:68) states that total rewards include “the monetary and non-monetary returns provided to employees in exchange for their time, efforts and results”. Reilly and Brown (2008:46) explain that total rewards captures “a firm’s entire employee value proposition, including direct and indirect financial rewards, positive characteristics of the work itself, career opportunities in the firm, social activities associated with the workplace, and a variety of other conveniences and services provided by the employer”. The Hay Group (2003:55) similarly describes total rewards as “all the investments an organisation makes in its workforce and everything that the employees value in working for the employer”.

2.5.1. Overview of total rewards in organisations

Rumpel and Medcor (2006:27) describe total rewards as an attempt to embrace everything employees value and gain from working. It includes the employer-employee relationship from a rewards perspective in an integrated human resource framework. The Human Resources framework emerged as a way to integrate human resource practices so that complex reward issues regarding pay, benefits, training and development, and the work environment could be addressed holistically rather than with human resource in a silo solution. Hijazi, Anwar, Adeel and Mehboob (2007:272) state that rewards can be classified in two categories: financial (having monetary terms and monetary value) and non-financial (usually include recognition, autonomy, career opportunities, meaningful work, and convenience to develop skills, responsibility and work-life balance).

In addition, Rumpel and Medcor (2006:27) state that pay includes direct financial items, such as base pay, variable pay, incentives, stock and equity sharing
programmes and other monetary recognition incentives. Benefits include indirect financial rewards, such as health and welfare benefits, retirement plans, saving plans, vacation and fringe benefits. Learning and development include programmes and practices related to career pathing and employee development, supporting performance management and succession planning systems. Work environment includes programmes and practices related to organisational climate, such as diversity and organisational culture initiatives, performance support, work-life balance such as flexible working arrangements, elements related to organisational reputation, elements related to challenging and interesting work and the quality of relationship with colleagues (Rumpel and Medcor, 2006:27).

In a higher education institution’s sector, total rewards allow academic staff autonomy to be creative, provide flexible working arrangements and environment, benefits along with financial benefits (Akthar, et al., 2015:256). Higher education institutions need to adopt total rewards strategies for retaining competent and qualified academic staff so that they can be competitive in the sector (Akthar, et al., 2015:256). In light of this, these rewards influence job satisfaction and organisational commitment. Akthar, et al. (2015:257) state that total rewards is affected by numerous factors such as satisfaction, commitment levels of academic staff, leadership of the university. These can also have an input in designing reward strategy.

2.6. REWARD STRATEGY IN ORGANISATIONS

Rewards strategy is a declaration of intent, which defines what the organisation wants to do in the future to develop, implement reward policies, practices and processes which will further the achievement of its business goals while meeting the needs of stakeholders (Rose, 2014:9). This definition is also supported by Thorpe and Homan (2000:30), Wright (2004:8), World at Work (2007:33), Bussin (2011:3), and Armstrong (2012:152). Furthermore, World at Work (2007:34) postulate that reward strategy is concerned with what the organisation wants to do about rewards in future. Snelgar, Renard and Venter (2013:4) argue that remuneration is a driver of retention, job satisfaction and employee commitment in higher education. Nuijoo and Meyer
(2012:9) suggest that it is important for South African organisations, both public and private, and higher education Institutions in particular, to emphasise the value of intrinsic rewards as part of their rewards management strategies. However, according to Armstrong (2012:152), rewards strategy is the intent which defines what the organisation wants to do in future to develop, implement reward policies, practices and processes, which will further the achievement of its business goals and meet the needs of its stakeholders. Reward strategy aims to provide answers to the following questions:

- What do we need to do about our reward practices to ensure they are fit for the purpose? and
- How do we intend to get there?

Rose (2014:10) contends with this assertion and adds that the primary aim of a reward strategy is to provide a sense of purpose and direction on the basis of developing reward policies, practices and process based on understanding the needs of the organisation and how employees can best be satisfied. This contention finds support from Armstrong (2004:83), who considers reward strategy to be “a business-focused statement of the intention of the organisation concerning the development of future reward processes and practices which are aligned to the business and human resource strategies of the organisation, its culture, and environment in which it operates”. Wilson (2006:1) acknowledges rewards strategy as a process by which a firm translates its competitive business strategy into a series of programmes and initiatives that will have a positive impact on human behaviour. When the strategy defines what new behaviours are needed and builds systems and practices to reinforce these behaviours, the desired changes become real.

According to Kwon and Hein (2013:34), a written total reward strategy provides a framework within which employers can design, administer and evaluate effective rewards programme. Snelgar, Renard and Venter (2013:4) argue that remuneration is a driver of retention, job satisfaction and employee commitment in higher education. Nujjoo and Meyer (2012:9) suggest that it is important for South African organisations,
both public and private, and higher education institutions in particular, to emphasise the value of intrinsic rewards as part of their rewards management strategies. Furthermore, a reward strategy needs to be flexible in order to be linked to both human resources and business strategy of a higher education institutions.

2.6.1. Elements of a rewards strategy that influence job satisfaction and organisational commitment

George and Jones (2005:84) maintain that reward systems comprise extrinsic and intrinsic rewards. The pay an employee receives for performing tasks and activities as stipulated in the job description is called rewards. Grobler, et al. (2006:351) state that rewards consist of monetary rewards and benefits. Shields (2007:30) recommends five elements of a total rewards strategy, each of which includes programmes, practices, elements and dimensions that collectively define an organisation's strategy to attract, motivate and retain employees. These five elements consist of compensation, benefits, work-life, performance and recognition as well as talent development and career opportunities. A reward system does not only encompass money; it also includes non-financial rewards that support intrinsic and extrinsic motivation. In addition, financial rewards continuously focus on reward management. Moreover, organisations have to attain an accurate combination of financial and non-financial rewards (Shields, 2007:30).

Shoaib, Noor, Tirmizi and Bashir (2009:2) support the notion that employee rewards are crucial and that they have the ability to leave a lasting impression on employees' opinion of their value to the organisations they work for. According to Snelgar, Renard and Venter (2013:10), employees weigh the quality of their job through intrinsic satisfaction and personal reward they earn from their work. Thus, retention and commitment can be achieved by effective utilisation of intrinsic rewards. Globally, regionally and locally, there is expanding requirement for organisations to develop reward systems that motivate employees to work harder and faster (Mutjaba and Shuaib, 2010:112). Efficient reward systems funnel employees' efforts towards realisation of organisation goals (Mujtaba and Shuaib, 2010:11).
Shoaib, et al. (2009:14) postulate that employee rewards are vital for employee retention since they act as a reminder to employees about the special achievement and the pleasure accompanied by feelings of job satisfaction. These feelings may tend to encourage employees to stay a little longer in the job and repeat the good effort expended in future. Mujtaba and Shuaib (2010:113) highlight that the more often the employee sees, thinks about, or utilises the reward, the more the employee is encouraged to realise that he or she is treasured by the organisation and in so doing increase the level of employee retention and job satisfaction while enforcing organisational commitment. Terera and Ngirande (2014:486) contend that rewards strategies that recognise value of employees and address attractive rewards for employees is essential because an employee who feels treasured by the organisation is more likely to remain in employment than an unvalued employee. More detailed elements of the rewards strategy, contextualised within the higher education institutions with reference to university of technology sector is presented below.

2.6.1.1 Compensation as the element of total rewards strategy in organisation

World at Work (2011:5), a global human resources association in the United States of America, which focuses on compensation, benefits, work-life and integrated total rewards, postulates that employee rewards is received as an exchange for services between employee and employer. World at Work (2015:1) state that compensation involves pay offered by an employer to an employee for services rendered which comprise time, effort and skill. It consists of both fixed and variable pay attached to levels of performance. Gross, Steven, Friedman and Helen (2004:8) assert that compensation includes base pay, short-term and long-term incentives. Pay also can be defined in direct financial items, such as base pay, stock, equity sharing programmes and monetary recognition programmes (Rumpel and Medcof, 2006:28). De Bruyn (2011:32) observes that when academics in higher education institutions are remunerated properly, it tends to benefit the individual as well as the institution. The benefit for the academic is the ideal lifestyle he or she can sustain, whereas the benefit for the institution is the retention of competent employees.
Arokiasamy, Tat and Kanesan’s (2013:1602) research revealed the highest positive correlation between compensation and job satisfaction among academic staff in higher education institutions. The study further affirms that efficient reward systems are thought to lead to satisfy employees who are productive and committed to their institutions (Arokiasamy, *et al.*, 2013:1602). According to Nazir, Khan, Shah and Zaman (2013:396), their study revealed a highly positive correlation between employee rewards, job satisfaction and organisational commitment in higher education institutions. Their study (Nazir, *et al.*, 2013:396) further added that rewards influences independent variable job satisfaction and organisational commitment in higher education institutions. Qasim, Cheema and Syed (2012:34) concur that monetary rewards play a major role in determining job satisfaction. Increasingly, organisations realise that in order to build on employee’s job satisfaction, they have to establish an equitable balance between the employee’s contribution to the organisation and the organisation’s contribution to the employee. Establishing this balance is one of the main reasons to reward employees. This means that employees cannot be satisfied with their jobs unless they are motivated by effective reward systems (Pratheepkanth, 2011:85).

Kipkebut (2010:116) states that salaries in public universities in Kenya are based on a structured salary scale with a pre-determined yearly increment. However, the erosion of the absolute values of salaries, especially in the public sector relative to the private sector, has negatively affected employee motivation and therefore resulted in highly-qualified personnel preferring to join the private sector where they expect to be suitably remunerated. The problem of low wages and fringe benefits in the public sector is compounded by unfair practices in the remuneration of workers due to unclear and inconsistent wage policies resulting in arbitrary pay differences for different cadres of staff (Kamoche, Nyambegera and Mulinge, 2004:235). Compensation is one of the fundamental components of job satisfaction since it has a powerful effect in determining job satisfaction and commitment. Financial rewards within the institutions of higher learning are used to entice job satisfaction amongst academics (Schifter, 2000:16).
Schulze (2006:328) conducted a study within higher education institutions, which reveals that only 11.7 per cent were satisfied and nearly two thirds were dissatisfied with salaries paid by their institution in comparison with others outside the higher education system (62.8%). Pinder (2008:219) asserts that an increase in remuneration is expected by employees who perceive increases in responsibility and input in their jobs. Responsibilities of academic staff have increased and become more complex as they are inundated with new policies and practices, but their salaries have not been commensurate with their duties. The finding that South African academic staff are often dissatisfied with their salaries confirms previous research (Marais, Monteith and Smith, 2001:90; Pretorius, 2002:1). Azmi, and Sharma (2012:35) state that within the higher education sector compensation pay satisfaction has a direct, significant and positive impact on job satisfaction. However, it is suggested by the researcher who observed studies by Schulze (2007:328); Pinder (2008:219); Marais, Monteith and Smith, (2001:90); Pretorius (2002:1), Azmi and Sharma (2012:35) that it is evident in the case of university of technologies that compensation influences job satisfaction and organisational commitment. De Bruyn (2011:28) asserts that most employees feel that their remuneration is less than they deserve. This is not only true of the employees in some organisations, but it also appears to apply in all sectors of the corporate world, for instance, in industries and organisations. Research by Van den Berg, Manias and Burger (2008:98) inquired into the influence of job-related factors on the work engagement of university staff at the University of the Free State. Their research revealed that participants feel that their salaries are insufficient and that they are unable to progress financially. De Bruyn (2011:29) further attests that this shows that even in the higher education environment there is evidence that employees are remunerated less than they deserve. There is discrepancy in rewards between the academic work context, which this study seeks to close this gap and address by suggesting the implementation of equitable compensation to academic staff in higher education institutions.
2.6.1.2 Fringe benefits as the element of total rewards strategy

According to World at Work (2007:1), benefits include packages an employer practices to supplement the cash compensation that employees receive. It comprises health, income protection, savings and retirement programmes that provide security for employees and their families. Employee benefits consist of arrangements made by employers to enhance their employees’ well being. The benefits are provided in addition to pay, and form important parts of the total rewards package (Armstrong, 2012:359). Benefit packages for employees are integral to the financial reward package, and for many organisations, the employer brand determines the type of benefits offered, which turn, support the messages to be delivered via the employer brand. McMullen, Royal and Stark (2009:10) note that “employee benefits, especially health care, are considered a basic and important foundational element in attracting or retaining talent as competitors for talent also offer employee benefits”. Furthermore, Zingheim, Schuster and Dertien (2009:31) observe that “from a strategic standpoint, benefits should be viewed as an integral component of a total rewards package and as an investment in human capital”. Employee benefits are a strong predictor for job satisfaction while ensuring organisational commitment. Fringe benefits include any variety of practices that provide paid time off, employee services and protection programmes.

According to Swanepoel, et al. (2014:664), benefits are indirect forms of rewards which are intended to aid the achievement of the human resources objective of attracting, retaining and motivating employees. The implications of employee benefits’ decisions are among the most relevant for remaining competitive in the labour market. For a total compensation perspective, indirect compensation or benefits, play a significant role in the attraction and retention of employees. Martocchio (2013:6) elaborates that fringe benefits can also include prerequisite rewards such as relocation payments, flexible start dates, sign-on bonuses, use of organisation-owned property, health club membership, tuition reimbursement, financial planning and clothing allowances. As part of the total remuneration package, they may be deferred or contingent like pension schemes, insurance cover or sick pay or they may be immediate such as an organisation car or a loan. Employee benefits also include
holidays and leave arrangements, which are not strictly remuneration. They are sometimes referred dismissively as perks (prerequisites) or fringe benefits (Armstrong, 2012:360).

Employee benefits play a significant role in attracting and retaining top talent, but because they are generally membership based (i.e. offered to all employees irrespective of their individual performance) they have little direct impact on their performance. Robbins and De Cenzo (2007:314) confirm that the lack of adequate benefits is found to be linked to employee dissatisfaction and increased absenteeism and turnover. A country’s specific circumstances and laws largely determine the extent and nature of the benefits commonly offered by organisations within a particular country. Grobler, et al. (2011:425) state that government influences employee benefits through regulations concerning safety, healthcare, retirement or UIF and worker’s compensation. Nazir, Khan, Shah and Zaman (2013:396) conducted a study within higher education institutions, which reveal a high positive correlation between fringe benefits, job satisfaction and organisational commitment in higher education institutions. Similarly, Yamoah’s (2013:16) study shows that academic staff were not satisfied with fringe benefits offered to them. However, this study adds that satisfaction with fringe benefits will allow academic staff to remain longer within higher education institutions. Arokiasamy, Tat and Kanesan’s (2013:1602) research reveal the highest positive correlation between fringe benefits and job satisfaction among academic staff in higher education institutions. It further asserts that efficient reward systems are thought to lead to satisfy employees who are productive and committed to their institutions (Arokiasamy, et al., 2013:1602).

The study by Shoaib, et al. in 2009 revealed that attractive and competitive fringe benefits still ranked as one of the most important factors that affect job satisfaction and organisational commitment because it fulfils financial and material desires. Salary, retirement benefits and job security have been shown to be important personal issues that affect the satisfaction of faculty members in college and universities. Hamman-Fisher’s (2008:187) study revealed that there are statistically significant relationships between benefits and job satisfaction in higher education institutions. The moderate
to high correlations between these dimensions and job satisfaction suggest that the higher their relationship with job satisfaction, the more satisfied employees would be. Naseem and Salman (2015:3) recommended that fringe benefits should be implemented in higher education institutions since these types of rewards influence job satisfaction and organisational commitment.

2.6.1.3 Work-Life balance as an element of total rewards strategy

World at Work (2007:1) state that work-life programmes are intended and introduced as policies that enable employers to reach a better work-life balance. Furthermore, World at Work (2007:1) mention that work life practices are a means to enable individuals to balance their work life and home. Rumpel and Medcof (2006:29) argue that the balance for the time spent at work and home is included in the work environment. For instance, flexible working is one of the most important aspects for a balanced life. Armstrong (2009:977) states that work-life balance employment practices are concerned with providing scope for employees to balance what they do at work with the responsibilities and interests they have outside work. Bardoel, De Cieri and Shea (2006:1) further concur that one way of selling the idea of work-life balance to organisations was based on employee retention, improving productivity while minimising absenteeism. Guest (2002:256) states that work-life balance has been a concern of those interested in the quality of working life and its relation to the broader quality of life. Osif (2009:43) states that work is more than a pay cheque; it is about understanding how the mismatch in the workplace can influence the environment and create a better life, resulting in having more productive employees. According to Maphanga (2014:40), if organisations realise that their greatest assets are people then they would also commit to people’s health and a balanced life in the long-term. Balancing work and personal life is viewed as a state of equilibrium, where individuals strike a balance between work and life (Lockwood, 2003:4).
2.6.1.4 Recognition as an element of total rewards strategy

According to World at Work (2007:1), recognition refers to acknowledgement or gives special attention to employee actions, efforts, behaviour or performance. It meets an intrinsic psychological need for appreciation of one’s efforts and can support business strategy by reinforcing certain behaviours, like extraordinary accomplishments that contribute to organisational success. Rose (2014:183) further defines recognition as a process of acknowledging or giving special attention to a high level of accomplishment or performance, such as customer care, or support for colleagues who are not dependent on achievement against given targets or objectives. Moreover, World at Work (2007:1) highlight that formal or informal recognition programmes acknowledge employee contributions immediately, usually without predetermined goals or performance levels that the employee is expected to achieve. Awards can be cash or non-cash, for example, verbal recognition, trophies, certificates, plaques, dinners and vacation tickets. By becoming part of an organisation that is highly regarded, staff expect to be able to perform well and achieve success. Moreover, the fact that workers receive recognition for their work, can be viewed like an act of support for the employees, and will increase organisational performance (Boswell, Cook, Horner, Payne and Shaub, 2011:8). Ng’ethe, et al. (2012:210) agree that employee job satisfaction level is increased if they feel that their capabilities, efforts and performance contributions are recognised and appreciated by others and their sense of accomplishment have been met. Employees want and feel the need to know how well they are doing. Moreover, praising employees is regarded an important type of recognition that helps motivate them and provides job satisfaction and organisational commitment (Certo, 2010:308).

Ng’ethe, et al. (2012:210) state that employee recognition is timely, informal or formal acknowledgement of a person’s or team’s behaviour, effort or business result that support the organisation’s goal and values, which have clearly been beyond normal expectation. In addition, appreciation is a structural human need and employees react to gratitude conveyed through recognition for their excellent work as it confirms that their work is valued. Employees are inclined to remain with organisations which recognise and appreciate their capabilities, efforts and performance contributions. A
study by Kwenin, Muathe and Nzulwa (2013:16) revealed that recognition has a positive relationship with employee retention. Employees desire not only financial rewards but recognition as well. The Hay Group survey (2005:1) points out that it is uncomplicated for employees to depart when they are not appreciated for their good work. Rewarding employees with aspects like recognition is crucial in the retention of talent. Armstrong and Murlis (2007:345) concur that financial rewards are not sufficient to reward employees but recognition programmes should be established since they link with their esteem needs. Gostick and Elton (2007:129) state that recognition gives employees the extra push they need to do their jobs better and it is one of the most powerful motivational tools.

Chew and Chan (2008:507) suggest that employees are more likely to express commitment to an organisation and remain with it when their expertise, efforts and performance are recognised. According to Rose (2014:183), recognition programmes typically seek to recognise behaviours and achievements that fulfil overall values, such as excellent customer services. Herzberg (1959) found that lack of recognition for work done was a significant factor for producing negative feelings about the job. Limaye and Sharma (2012:8) suggest that recognition is mostly intended to thank employees for doing the right thing, whereas rewards are basically offered to individuals in order to compensate them for their efforts that contribute to the organisational success. Chikungwa and Chamisa’s (2013:222) study show that academic staff are satisfied and motivated around their jobs if they receive recognition on their performance. Employees who are appreciated and praised by employers are likely to remain with the institution for a longer period due to increased job satisfaction (Danish and Usman, 2010:2). Academic staff reveal that they prefer a system of recognition of performance where various awards are established and maintained at departmental levels in the institution (Chitungwa and Chamisa, 2013:222). The introduction of recognition programmes within organisations helps both employers and employees to differentiate pay from the other types of awards (Rose, 2011:12).
2.6.1.5 Performance management as an element of total rewards strategy

Brudan (2010:109) defines performance management as “a discipline that assists in establishing, monitoring and achieving individual and organisational goals”. Verbeeten (2008:430) also defines performance management as “the process of defining goals, selecting strategies to achieve those goals, allocating decision rights, and measuring and rewarding performance”. Brudan’s (2010:109) definition of performance management purports that it is aimed at individuals and organisations. In view of this, Brudan (2010:110) believes that the term performance should be used and managed at various levels, namely, individual, team and organisational levels, individual performance, team performance and organisational performance. According to Shane (2010:6), performance management is a systematic effort to improve performance through an ongoing process of establishing desired outcomes, setting performance standards, collecting, analysing and reporting on streams of data to improve individual and collective performance. Soni (2003:14) points out that a salary increase or praise may cause an employee to work harder, but only for a while. Recognition was labelled by Herzberg as a motivator because he found it to be associated with strong effort, good performance, and job satisfaction (qUoTed by Kreitner and Kinicki, 2008:215).

The link between recognition, teamwork, and job satisfaction is an important occurrence to take note of as it indicates that dimensions which constitute job satisfaction do not necessarily act alone in determining the job satisfaction of employees. Verbeeten (2008:430) concurs that “in the process of performance management, performance goals are established and performance, in pursuit of the attainment of the goals, is monitored or measured”. Verbeeten (2008:430) adds that “performance management without rewarding satisfactory performance would not be a complete process”. However, Verbeeten’s (2008:430) definition falls short of providing direction in respect of unsatisfactory performance. In this light, Bahri, St-Pierre and Sakka (2011:604) contend that “the objective of performance management should be the improvement of individual, team and organisational performance”. Even when performance is satisfactory, performance management “should aim to improve the very satisfactory performance”. Goedegebuure, Deradts and De Waal, (2011:6) further assert that “performance management should be an ongoing process”.

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However, if employees' work is overlooked or criticised it would have the opposite effect. The lack of recognition would not lead to job dissatisfaction, but employees are unlikely to be motivated either (Smerek and Peterson, 2007:231). Mutjaba and Shuaib (2010:112) state that for higher education institutions to attract, motivate and retain qualified staff institutions must have appropriate reward systems that encourage employees to stay focused on performance. De Bruyn (2011:32) suggests that if there is an effective performance bonus system academic staff will be more satisfied with their jobs while maintaining overall organisational commitment. Shikongo (2011:73) propose that a proper performance system needs to be in place in order to assess individual or team performance, which rewards them accordingly. This would not only be a fair system to those who work hard as they are rewarded, but would also encourage poor performers to “pull their weight” and be rewarded.

2.6.1.6 Talent development and Career opportunities as the element of total rewards

World at Work (2007:1) state that talent development provides employees with specific skills or helps to correct deficiencies in their performances while development is an effort to provide employees with abilities the organisation will need in future. Development engages employees to perform better and leaders to advance people strategies in their organisations. Moreover, World at Work (2007:1) state that development refers to learning opportunities designed to help employees grow. Bernadin and Russell (2013:275) attest that career advancement opportunities are classified as a vital motivator in terms of Herzberg’s theory. Training and development opportunities for academic employee serve as the human capital investment that guarantees growth while it ensures meaning to the current job. This may include advancement into more responsibilities in an organisation. The organisation supports career opportunities internally so that talented employees are deployed in positions that enable them to deliver their greatest value to the organisation. Garg and Rastogi (2006:582) contend that life-long learning for employees are essential in the competitive environment since they are capable of meeting market challenges; investment in knowledge is crucial for surviving in any global market. Maurer and
Lippstreu (2008:328) affirm that organisations should offer support for training and development by means of:

- providing learning and skills development resources that can assist improve skills;
- assigning tasks that may develop employees;
- establishing work rules and reward policies;
- providing freedom from time constraints to make it possible for employees to participate in career related training and development activities; and
- expressing an employee learning orientation to employees.

Academic staff confirm that career development opportunities as the focal purpose behind their decision to stay in the same institution for a longer period. The absence of proper career development plans pushes higher education institutions to offer high pay and benefit packages to attract and retain employees compared to other institutions with attractive career development plans (Haider, et al., 2013:345).

In addition, in organisations where employees attain proper training necessary to undertake greater responsibilities, turnover rates are generally lower. Career advancement opportunities are linked to the learning and development part of talent management. For an organisation to do well in this regard, a clear career path is crucial as well as criteria that are applied for making lateral and diagonal moves, including promotions (Armstrong and Murlis, 2004:18). According to Longo (2014:55), this can be practically seen as an element in support of succession planning. Opportunities for growth and career advancement are favoured internally in order to nurture talent and to be able to fill senior, key positions within the firm. Bernardin and Russell (2013:325) assert that organisations needs to provide the following to promote career advancement:

- provide tools and opportunities to enhance skills for the employees;
- create an environment for continual learning by supporting and rewarding employee development and learning;
- provide opportunities for self-assessment;
- Provide additional training;
- provide coaches and mentors to assist employees; and
- assist employees to strike balance between their work and non-work lives.
Other concepts influencing promotion in higher education institutions include research outputs and qualifications. Nieuwenhuizen (2009:313) furthermore suggests that entry requirements for academics should be reduced with certain boundaries. The pool of suitable candidates should therefore be larger. Once such an academic has been appointed, his or her capacity can be developed. Ng’ethe, et al. (2012:209) attest that promotion for academic staff is dependent on teaching, research and publication. Academics who feel stagnant in their positions generally are not motivated and will not stay longer in unfulfilling positions. Nieuwenhuizen (2009) adds that promotions would thus occur more frequently. This could ultimately ensure job satisfaction and talent retention in academic institutions. Akhtar, et al. (2015:254) confirm that highly qualified academics will leave academic institutions for reasons that are not money based but limited to development and promotional opportunities.

2.7. FUNDAMENTAL COMPONENTS OF REWARDS THAT INFLUENCE JOB SATISFACTION AND ORGANISATIONAL COMMITMENT

World at Work (2011:5) postulates that employee rewards is received as an exchange for services between employee and employer. Kreitner (2004:439) theorises that rewards are the material and psychological payoffs for executing different tasks at different levels in the workplace. Furthermore, employee rewards are also seen as anything perceived as valuable that is given to an employee as recognition for good contribution made. Such rewards can be a strong motivator for improved work performance (Okiogo, 2012:9). Armstrong and Murlis (2004:11) contend that total rewards typically encompass not only traditional, quantifiable elements such as salary, variable pay and benefits but also intangible non-cash elements such as scope to achieve and exercise responsibility. World at Work (2007:7) state that these rewards also encompass career opportunities as well as individual, team and organisational learning and development. Such rewards further enhance intrinsic motivation provided by the nature of work being executed and the quality of working life provided by the particular organisation. Furthermore, rewards structures can be designed in an indefinite number of ways, and employers will use a combination of numerous techniques to design remuneration packages is suitable for their organisations (Armstrong, 2012:9). According to Bratton and Gold (2007:291), a remuneration
package of an employee is usually made up of a combination of fixed and variable pay. These are briefly discussed below:

2.7.1. Fixed remuneration

Fixed remuneration refers to the guaranteed basic salary, allowance/s (housing, travel) and fringe benefits such as retirement funding and medical aid amongst others, which are paid to employees (Swanepoel, et al. 2014:614). Fixed remuneration is seen as the strong predictor of job satisfaction and organisational commitment.

2.7.2. Base pay

Armstrong (2012:164) outlines base pay as the amount of pay (fixed salary or wage) that constitutes the rate for the job. It may be varied depending on the grade of the job. Base pay may be expressed as an hourly, weekly, monthly or annual rate. The base rate may be adjusted to reflect increases in the cost of living or market rates by the organisation unilaterally or by agreement with a trade union.

2.7.3. Performance-based pay

Performance-based pay, also known as variable pay or contingency pay is the most popular merit pay scheme that was introduced by organisations. Armstrong (2015:209) states that performance-based pay was introduced but had controversy since it was badly managed on the high expectations of its impact on performance. The ability of performance-based pay to change behaviour on employees was not fulfilled (Armstrong, 2012:264). In addition, the use of performance-related pay relies on the following assumptions:

- It acts as an incentive and thus motivates people to improve their performance.
• Individual differences in performance can be accurately and fairly measured. Pay difference can be related fairly to performance differences and be seen to be related.

For P-E Corporate Service (2009), performance-based pay constitutes an essential component of a remuneration package. According to Aguinis (2013:265), performance-based pay means that individuals, teams or organisation are rewarded based on how well they perform on the job. Thus, employees receive increases in pay based wholly or partly on job performance. These increases can either be added to an employee’s base salary or be once off bonuses. Initially, in many organisations within South Africa, contingent pay plans were used only for top management (Armstrong, 2012:11). Gradually, the use of contingent pay plans extended to sales jobs and higher education jobs. Aguinis (2013:265) further points out that when a performance management system has a direct relationship with a reward system, performance measurement and performance improvement are taken more seriously. In other words, contingent pay plans force organisations to define effective performance clearly and to determine what factors are likely to lead to effective performance. Moreover, when contingent pay plans are implemented, organisations need to make it clear what is expected of employees, what specific behaviours or results will be rewarded and how employees can achieve these behaviours or results (Aguinis, 2013:265).

2.7.4. Short-term incentive scheme

Aguinis (2013:11) points out that short-term incentive schemes are designed to drive an organisation’s short to medium term business strategies by rewarding the attainment of budgeted or targeted financial and strategic performance. He (2013:11) asserts that short-term incentives are also allocated based on past employee performance. Incentives are one-time payments and are sometimes referred to as variable pay. P-E Corporate Services (2009) contends that short-term incentives are organisation specific and usually paid out within a period of a year to prevent the short-term performance from employees. They are paid in the form of performance bonuses, which is a common feature in many organisations within South Africa. Short-term
incentives are mainly developed to measure a fair level of reward for the achievement of specified organisation performance targets.

2.7.5. Long-term incentives scheme

P-E Corporate Services (2009) reveals that long-term incentive schemes are designed to drive an organisation’s long-term business strategies and to promote an entrepreneurial flair. Short-term incentives, on the other hand, usually involve an attempt to motivate performance in the short term (quarter or year) by giving cash bonuses or specific prizes. However, long-term incentives attempt to influence future performance over a longer period. In addition, the primary objective of long-term incentive schemes is to align participant interest with shareholders’ interest, incentivise and motivate participants, attract and retain scarce talents and reward superior and sustained long-term performance of the organisation. Anguinis (2013:11) states that long-term incentive schemes involve stock ownership or options to buy stocks at a pre-established and profitable price. The rationale for long-term incentives is that employees will be personally invested in the organisation’s success and investment is expected to translate into a sustained high level of performance.

2.7.6. Performance-related pay drivers

According to Armstrong (2012:264), performance-related pay drivers refer to a remuneration decision to adjust remuneration based on individual, group, corporate performance or the combination thereof. Performance-related pay is a method of compensation in which employees are paid according to their performance (Lazear, 2001:1; Chamberlin, Wragg, Haynes and Wragg 2004:32; Marsden and Belfield, 2006:3; Ingvarson, Kleinhenz and Wilkinson, 2007:13). It is a part of a compensation system based on bonuses and incentive pay for high work performance. Performance-related pay schemes use performance and/or competence as criteria for deciding the size of increments and also the rate of progress through a salary band (Irs and Türk, 2012:365).
2.7.7. Merit pay

Martocchio (2013:57) describes merit pay as fixed payment to individuals or an increase in the employee remuneration based on the outcome of an annual evaluation of employee performance, competency or contribution. Perkins and White (2008:164) as well as Armstrong (2012:262) contend with this definition but further indicated that merit pay is based on motivational theories, which include the expectancy theory, goal setting theory, equity and agency theory. These theories advocate that the achievement of organisational target results should lead to automatic payment of agreed and meaningful rewards. Martocchio (2013:57) opines that employees earn permanent merit increases based on their performance. Pay increases therefore, are intended to reward excellent effort by employees and/or may motivate future performance and assure employers of retaining talented employees. Thus, merit pay provides job satisfaction while ensuring organisational commitment among employees.

2.7.8. Competency-related pay

Competency-related pay rewards people wholly or partly by reference to the level of competency they demonstrate in carrying out their roles. It is a method of paying people for the ability to perform (Armstrong, 2012:266). Competency refers to an underlying characteristic of a person that results in effective or superior performance (Armstrong, 2012:266). Competencies include behavioural competencies, which comprise of personal characteristics that individuals bring to their work roles while technical competencies relate to people’s knowledge and skills to carry out their roles effectively.

2.7.9. Seniority and longevity pay

Martocchio (2013:53) contends that seniority and longevity pay systems reward employees with periodic additions to base pay according to the employee’s length of
service in performing their jobs. In addition, these pay plans are based on the assumption that employees become more valuable to organisations over time and valued employees will leave if they do not have a clear idea that their salaries will progress over time. The assumption is that over time employees presumably refine existing skills or acquire new ones that enable them to work more productively (Martocchio, 2013:54). In addition, seniority pay rewards employees for acquiring and refining their skills as indexed by seniority. Armstrong (2012:12) points out that service-related pay is supported by both the public and private sector because they are perceived as being fair in nature.

2.7.10. Market-base pay

Perkins and White (2008:189) contend that market-base pay link salary levels to what other organisations pay for similar jobs. Constant changes in remuneration policies and practices as well as continuous monitoring inform the organisation to review market base pay. Wilkinson and Marchington (2008:462) posit that remuneration increases come about because of the need to align remuneration with the labour market in terms of the best practice. If organisations offer market-base pay, they are positioning themselves well because their employees will remain longer in their jobs while ensuring satisfaction.

2.7.11. Market-competitive pay

Martocchio (2013:145) states that a market-competitive pay system represents an organisation’s compensation policy that fits the imperatives of competitive advantage. A market-competitive pay system plays a significant role in attracting and retaining the most talented employees. In addition, it is contended that well-designed pay systems should promote an organisation’s attainment of competitive strategies.
2.7.12. Qualifications-based pay

Perkins and White (2008:182) define qualifications-based pay as a payment system in terms of which employees receive increases in pay for acquiring additional qualifications or being professionally registered with recognised institutes or professional bodies. Acquisition of additional qualifications or professional registration is rewarded through an additional increment or pay increase. Longo (2014:146) states that employers usually offer individuals working for their organisations additional fixed payments in relation to the education and vocational qualifications they have gained. The impact of education and qualifications on pay is not just typical of high professional jobs or in general, of white collar professions. According to Kanine (2011:55), the system is flawed in that it is expensive to introduce and maintain since employees will be obtaining non-job related qualifications. For higher education institutions, this would be a strong predictor for job satisfaction and organisational commitment.

2.7.13. Suggestion systems

According to Swanepoel, et al.(2014:657), a suggestion system is an incentive scheme under which employees receive rewards for useful ideas on reducing costs, improving safety or product quality or generally increasing organisational effectiveness. For higher education institutions this would mean taking part in the development of new curriculum that is linked to industry expectations. DeCenzo and Robbins (2007:113) state that employees value the rewards linked to suggestion systems; it also has a communication benefit, which is probably the most important aspect of job satisfaction and organisational commitment.
2.8. THE INFLUENCE OF EMPLOYEE REWARDS ON JOB SATISFACTION AND ORGANISATIONAL COMMITMENT IN ORGANISATIONS

Rewards play a vital role in attracting, motivating and retaining talented employees. According to Ibrahim and Boerhaneoddin (2010:44-45), rewards encourage effective employees to remain in employment for longer periods of time. Perry (2001:27) contends with this and further adds that effective employees are of great benefit to an organisation, as are employees who are committed and loyal. In addition, Ibrahim and Boerhaneoddin (2010:44-45) suggest that generous rewards retain employees and ultimately lead to job satisfaction, commitment and loyalty. Evidence from previous research seems to suggest that there is a positive relationship between employee rewards, job satisfaction and organisational commitment. Several studies have reported a positive relationship between rewards and job satisfaction (Robbins, et al., 2004:77; Aamodt, 2004:323; Fincham and Rhodes, 2005:218; Bargrain, Cunningham, Potgieter and Viedge, 2007:337).

Bowon and Heungshik’s (2002:52) study reports a significant positive correlation between rewards and job satisfaction, and concludes that the participants in their study regarded rewards as one of the main contributors to their job satisfaction. Nawab and Bhatti’s (2011:30) study shows that employee rewards influence job satisfaction and organisational commitment in higher education institutions. Their study (Nawab and Bhatti, 2011:30) further reveal that employee rewards are gaining popularity day by day and higher education institutions should use employee rewards to satisfy and retain their highly qualified academic staff. Turinawe (2011:14) states that the relationship between job satisfaction and organisational commitment is very crucial nowadays because people often do not prefer to stay with the same organisation for long. It has become hard for organisations to exercise influence on their employees to stay. If employees exhibit different levels of job satisfaction and if it leads to the organisation commitment, organisations would obviously want to hire employees with higher levels of organisational commitment (Turinawe, 2011:15). Employers normally expect that people with higher levels of job satisfaction would have higher levels of organisational commitment. Furthermore, Turinawe (2011:15) shows that the reason
why satisfaction would lead to the organisational commitment is that a higher level of job satisfaction may lead to good work life balance and reduction in stress.

Empirical studies have also revealed a positive relationship between rewards and organisational commitment (Ibrahim and Boerhaneoddin, 2010:44; Iqbal, 2010:17). Malik, Nawab, Naeem and Danish’s (2010:21) study discovered that a university lecturer’s job satisfaction is influenced by work itself, compensation, and quality of supervision. These lecturers confirmed that they would remain with the universities if these factors were in place. According to Kochanski and Ledford (2001:37), the rewards an employee gets is an important measure of his/her performance and an important contributor to employee commitment. Furthermore, Döckel, Basson and Coetzee (2006:26) emphasise that rewards offers an opportunity for security, autonomy, recognition and an improved self-worth, and conclude that increased feelings of self-worth and importance should lead to increased levels of commitment. In light of these studies, the current study seeks to find the correlation between employee rewards, job satisfaction and organisational commitment among academic staff in higher education institutions.

2.9. TOTAL REWARDS MODEL IN ORGANISATIONS

The Charted Institute of Personnel Development (2014:1) recognises that pay is not the only motivator. The total reward has wide-reaching implications for employers and employees alike. A concept of total reward is not new in the life of an organisation. The development of formal concepts and theoretical models of total reward originally emanated from the United States of America (where the description ‘total rewards’ is generally used rather than the singular version of the term preferred in the United Kingdom). In recent years, total rewards model have been developed and proposed. These models should be integrated into an organisational perspective, blending the financial, organisational and behavioral aspects of total rewards to reward structures that fit the business strategy and organisational goals and objectives (Hay Group, 2014:1).
2.10. DIFFERENT TOTAL REWARD MODELS IN ORGANISATIONS

The literature review reveals a variety of rewards models developed over the past number of years. Different number of total rewards models and frameworks have been developed by organisations and consulting firms. This assertion by Nienaber (2010:100) has been echoed by Armstrong and Murils (2004) who attest that many leading organisations of HR and reward consultants constitute their own models of total reward in order to create an improved and alluring ‘employer brand’. It is appropriate to understand some of the total rewards models previously developed to obtain a comprehensive understanding of all the reward-related components used in these models (Nienaber, 2010:100). The purpose of introducing reward systems is to attract and retain qualified and competent employees while controlling costs associated with recruitment (Akhtar, Aamir, Khurshid, Abro and Hussain, 2015:252). A rewards model is relevant in higher education institutions since they have challenges and problems of job satisfaction and retention. According to Moeketsi (2013:138), the institution of higher learning should design compensation packages to attract and retain the best candidates. Departing employees always cite ‘better opportunities”, which means more money as a reason for joining rival institutions. Reh (2010:1) argues that good rewards system enhance high performance at work and in the end motivate employees to stay at the institution (Reh, 2010:1). Compensation is the crux at which employee retention is based. A reasonably high level of total compensation is needed to attract the best. This is true for senior positions where the spread of performance is so large that it pays to attract a performer. Therefore, implementation of a rewards model can assist academic staff in job satisfaction and organisational commitment. Thereafter the underlying rewards components that form part of the respective total rewards models is described, which have been tested and implemented by researchers in organisations (Nienaber, 2010:100). From the literature review, a comprehensive total rewards model is designed that forms the basis of the quantitative study and subsequent analysis. These various rewards models are relevant to the study and assist the researcher to develop an exploratory model for employee rewards that influences job satisfaction and organisational commitment.
2.10.1. Towers Watson Total Reward Framework

Towers Perrin was incorporated in 1934. In 1962, they started compensation and organisation consulting services. In 2010 Towers Perrin merged with Watson Wyatt to form Towers Watson. Today they have firms all over the world servicing clients that include three-quarters of the world’s 500 largest companies. They provide innovative solutions in the areas of human capital strategy, programme design and management, and in the areas of risk and capital management, insurance and reinsurance intermediary services, and actuarial consulting (Towers Perrin, 2009:1). According to Longo (2014:51), total reward model (Figure 2.1) below proposed by Towers Watson has been the subject of evolution over the years. From the traditional four-section quadrant appearance in which it was presented in 2007 it has in fact evolved into a three dimensional format. Studies by Towers Perrin (2007:1) reveal that organisations must be equipped to set out a variety of reward elements to attract, retain and engage the talent they need for the success of an organisation. The factors that drive employee attitudes and behaviours enable the organisation to better target key segments and tailor its programmes, investments and communication accordingly. This model is relevant to the higher education institutions since it deals directly with attraction, retention and engagement of employees. It should be noted that higher education institutions are struggling with retaining their staff. Makondo (2014:176) states that attracting and retaining academics should be core to the operations of a university.

2.10.1.1 Description of Towers Perrin Total Rewards Model

The Towers Perrin total rewards effectiveness blueprint (Figure 2.1) assists organisations to ensure that reward programmes support talent management objectives and meet the needs of the business as illustrated in Figure 2.1 below.
The critical elements of the model (Figure 2.1) are briefly explained to understand where value is created in the organisation and how that may change over time (Towers Perrin, 2007:2):

- Identify the critical workforce segments that will drive business results and, consequently, the organisation’s efforts around talent attraction, retention and engagement.
- Conduct workforce planning analysis as a complement to strategic business planning to identify current and future talent needs, and determine how the organisation will secure the right pipeline of talent from both internal and external sources.
- Ensure that your total rewards philosophy and guiding principles reflect the need to attract and retain key talent segments, which may include future leaders, Rand, sales, customer service talent and other groups.
- To complement and enhance talent management processes, use rewards optimisation to understand the needs and preferences of key employees and to develop optimal reward packages. (Towers Perrin, 2007: 2).
2.10.2. Zingheim and Schuster Total Reward Model

The Total Reward Model of Zingheim and Schuster (2000:1) as depicted below in Figure 2.2, involves the following elements of total rewards. As depicted below in Figure 2.2, the elements as suggested by Zingheim and Schuster (2000:1) includes:

- **Compelling future**, which includes vision and value, organisation growth and success, organisation image and reputation, stakeholder ship, win-win over time.
- **Individual growth**, which comprises investment in people, development and training, performance management, and career enhancement.
- **Positive workplace**, which encompasses people focus, leadership, colleagues, work itself, involvement, trust and commitment, open communication.
- **Total pay**, which includes base pay variable pay benefits or indirect pay and recognition and celebration.

**Figure 2.2 Zingheim and Schuster Total Reward Model**

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<thead>
<tr>
<th>Individual Growth</th>
<th>Compelling future</th>
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<tbody>
<tr>
<td>Development</td>
<td>Vision / values</td>
</tr>
<tr>
<td>Training</td>
<td>Growth / success</td>
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<tr>
<td>Career enhancement</td>
<td>Image / brand</td>
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<table>
<thead>
<tr>
<th>Total Pay</th>
<th>Positive workplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>People focus</td>
</tr>
<tr>
<td>Variable</td>
<td>Leadership</td>
</tr>
<tr>
<td>Benefits</td>
<td>Collegiality</td>
</tr>
<tr>
<td>Recognition</td>
<td>Job content</td>
</tr>
<tr>
<td></td>
<td>Trust / Commitment</td>
</tr>
<tr>
<td></td>
<td>Involvement / openness</td>
</tr>
</tbody>
</table>

2.10.3. Hay Group Total Reward Framework

According to the Hay Group (2014:1), reward strategies must be anchored in a business reality in order to be operational. This means linking it to the business strategy and the needs of the employees as well as the organisation. Furthermore, their Total Reward Framework (Figure 2.3) aids organisations to enhance reward irrespective of challenging conditions. The Hay group studies (2009:1) reveal that the majority of organisations lack understanding the landscape as well as perception on their current rewards programmes. They developed the total reward framework, as depicted in Figure 2.3 below, to ensure a balance between the needs of the organisation and the employee. Focus groups were used to ensure they had sufficient knowledge of the perceptions of an organisation’s current reward offering (Hay Group, 2009: 2). Hay Group Total Rewards Framework (Figure 2.3, (Hay Group, 2009:1)) has been designed in order to assist organisations to:

- align the value of the total reward programmes with individual performance, business performance and work culture;
- provide a competitive and differentiated total reward package, one reflective of the internal and external value of work;
- develop reward programmes that most cost effectively meet the motivational and retention needs of employees;
- ensure employees have buy-in and understand new programmes, which in turn, will increase employee commitment/engagement; and
- ensure line managers fully understand the programmes and can lead in implementing them.
Narsee (2011:61) believes that Hay Group Total Reward Framework (Figure 2.3) takes strategy as a starting point and focuses on the total rewards which consists of both tangible and intangible rewards. The framework (Figure 2.3) takes into account the needs of both the organisation and employees, which allows for a balanced approach ensuring that the organisation’s wellbeing is provided for, while also ensuring that the employees are involved and encouraged. This framework (Figure 2.3) is significant at a time when organisations are under cost pressures and when they are focused on doing more with less. Thus, the Hay Group Total Reward Framework (Figure 2.3) addresses the needs of employees and organisations, and is relevant to the higher education institutions.
2.10.4. Corporate Leadership Council Components of Total Rewards

The Corporate Leadership Council describes total rewards components from a philosophical point of view. Total rewards is compared with World at Work total rewards model discussed below in Table 2.1. The Corporate Leadership Council have excluded performance, learning and development in their total rewards model (Table 2.1). According to Corporate Leadership Council (2007:17), the following are categories of total rewards:

- Rewards and benefits;
- Work environment;
- Work-Life balance; and
- Organisational environment.

In order to enhance the understanding of what is meant by different categories, the components highlight these categories below in Table 2.1. According to Nienaber (2010:103), processes and perception, such as internal, external equity and senior team reputation are included as reward components.
<table>
<thead>
<tr>
<th>Rewards</th>
<th>Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration and Benefits</td>
<td>Work environment</td>
</tr>
<tr>
<td>Base salary</td>
<td>Manager quality</td>
</tr>
<tr>
<td>Bonus as percentage of base salary</td>
<td>Co-worker quality</td>
</tr>
<tr>
<td>Health benefits</td>
<td>Recognition</td>
</tr>
<tr>
<td>Retirement benefits</td>
<td>Cutting-edge work</td>
</tr>
<tr>
<td>Share options</td>
<td>Empowerment</td>
</tr>
<tr>
<td>Internal equity</td>
<td>Role clarity</td>
</tr>
<tr>
<td>External equity</td>
<td>Work challenge</td>
</tr>
<tr>
<td></td>
<td>Internal mobility</td>
</tr>
<tr>
<td>Internal equity</td>
<td>Project responsibility</td>
</tr>
<tr>
<td>Work-Life Balance</td>
<td>Organisational environment</td>
</tr>
<tr>
<td>Location</td>
<td>Risk taking</td>
</tr>
<tr>
<td>Flexitime</td>
<td>Organisation reputation</td>
</tr>
<tr>
<td>Child care</td>
<td>Senior team reputation</td>
</tr>
<tr>
<td>Hours</td>
<td>Organisation size</td>
</tr>
<tr>
<td>Telecommuting</td>
<td>Employee development</td>
</tr>
<tr>
<td>Travel</td>
<td>Reputation</td>
</tr>
<tr>
<td>Vacation</td>
<td>Technology level</td>
</tr>
<tr>
<td></td>
<td>Respect</td>
</tr>
<tr>
<td></td>
<td>Meritocracy</td>
</tr>
<tr>
<td></td>
<td>Ethics</td>
</tr>
</tbody>
</table>

**Source:** Corporate Leadership Council (2007:17). Adapted.
2.10.5. Armstrong and Stephens total rewards model

Armstrong and Stephens (2012:109) formulated the total rewards model as the provision of transactional and relational rewards as illustrated in Table 2.2 below. According to Armstrong and Stephens (2012:109), total rewards combines the impact of two major categories of reward as highlighted below:

- **Transactional rewards**: tangible (financial) rewards arising from transactions between the employer and employees concerning pay and benefits. These are all extrinsic.
- **Relational rewards**: intangible (non-financial) rewards concerned with the work environment (quality of working life, the work itself, work-life balance), recognition, performance management and learning and development. The work environment provides intrinsic rewards, recognition is intrinsic, performance management is mainly extrinsic, learning and development is primarily intrinsic in so far as it provides opportunities for growth.

According to Nichols (2012:49), financial elements of reward alone do not necessarily motivate the individual in isolation, therefore inclusion of non-financial or intrinsic rewards also known in terms of this approach as relational rewards (autonomy, career growth and recognition for a job well done), complement financial rewards to bring about a total reward approach. In terms of the framework (Table 2.2), the total reward approach offers a holistic reward offering, which taps into the transactional(exchange) and relational (the more social) side of the employee's work experience.
### Table 2.2 Armstrong and Stephens total rewards model

<table>
<thead>
<tr>
<th>Transactional Rewards</th>
<th>Basic Pay</th>
<th>Total Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Variable pay</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee benefits</td>
<td></td>
</tr>
<tr>
<td>Relational Rewards</td>
<td>Learning and Development</td>
<td>Non-financial / Intrinsic Rewards</td>
</tr>
<tr>
<td></td>
<td>The work experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Achievement, recognition, responsibility, autonomy, growth</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Armstrong (2012:109). Adapted.

### 2.10.6. Sibson Total Rewards Model

Sibson Consulting was founded more than 50 years ago in United States of America. They are considered pioneering experts in executive compensation. Sibson has expanded the scope of its human capital consulting services to include performance and rewards, health, retirement, organisation and talent effectiveness, HR technology, and communications. Sibson provides full service human resources, benefits and actuarial consulting to public and private corporations, higher education institutions and non-profit organisations. Sibson Consuting Total Rewards Model (Figure 2.4), as depicted below, was developed and takes into consideration the internal and external contextual factors. According to Sibson Consuting (2016:1), colleges and universities offer faculty, administration and staff a wide variety of rewards for working at the institution, many of which may not be well understood or appreciated. Since these rewards are rarely articulated as part of a comprehensive package of rewards, institutions may not be maximising the value of their investments.
Sibson consultants aid clients develop a strategic, comprehensive and integrated approach to rewards, one that includes both financial and non-financial rewards. Their process engages leadership which examines all rewards that make decisions about priorities and levels of investments in each within the context of their talent needs (Sibson, 2016:1). Reward investments can be prioritised for the institution as a whole and, if appropriate, by segments within the institution. Sibson (2016:1) accentuates that Total Rewards Strategy becomes the roadmap for planning and implementing future interventions, as well as a clear means for communicating the institution’s intentions. It can be used as an important component in the institution’s employment branding. Sibson (2016:1) concurs that rewards of work is the cornerstone of a total rewards strategy, which examines the balance between the rewards that employers offer and the expectations they set in exchange for those rewards. This is done using the rewards of work model (Figure 2.4) depicted above, which examines the proposed suite of rewards an employer offers to its employees. Furthermore, Sibson (2016:1) has identify five types of rewards:

- **Compensation**: The money employees receive for their work and performance.
• **Benefits:** Indirect compensation including health, retirement and time off.
• **Work content:** The satisfaction employees receive from their work.
• **Career:** The long-term opportunities employees have for development and advancement.
• **Affiliation:** The feeling of belonging employees have to the organisation.

2.10.7. World at Work total rewards model

The World at Work (2011:5), a global human resources association in United States of America focuses on compensation, benefits, work-life and integrated total rewards as depicted in Figure 2.5 below. They postulate that employee rewards is received as an exchange for services between employee and employer. The World at Work model was developed with the help and contribution of many members of World at Work, depicted in Figure 2.5. Focus groups and interviews from the members gave birth to the model. World at Work model (Figure 2.5) was then tested through participating of members in surveys (World at Work, 2007:5). The World at Work model (Figure 2.5) as depicted below was developed taken into consideration the internal and external contextual factors, i.e. human resources, organisational culture and strategies as well as some elements of the external environment likely to affect total reward practices such as regulations and competition pressures (Longo, 2014:54).
2.10.7.1 Purpose of model

According to World at Work (2011:2), the model (Figure 2.5) was created to achieve the following purposes:

- represent the profession’s conceptual framework for total rewards;
- serve as a tool for practitioners to use with managers in their own organisations;
- depict the official World at Work model of total rewards as shown in Figure 2.5 above;
serve as a foundation and guidepost for intellectual capital development in the profession; and
become a tool for academics, consultants and others to support their intellectual capital endeavours.

According to World at Work (2011:4), there are five elements of total rewards, each of which includes programmes, practices, elements and dimensions that collectively define an organisation’s strategy to attract, motivate and retain employees. These elements are: the elements represent the “tool kit” from which an organisation chooses to offer and align a value proposition that creates value for both the organisation and the employee. An effective total rewards strategy results in satisfied, engaged and productive employees, who in turn create desired business performance and results. The elements, as World at Work (2007:4) has defined them, are not mutually exclusive and are not intended to represent the ways that companies organise or deploy programmes and elements within them. For instance, performance management may be a compensation-function-driven activity or may be decentralised in line organisations; it can be managed formally or informally. Likewise, recognition could be considered an element of compensation, benefits and work-life. World at Work total rewards model, as depicted in Figure 2.5, describes five elements of total rewards, which form the total reward strategy.

2.10.7.2 Constituents of the World at Work Total Rewards Model

According to World at Work (2015:1) the model is made up of the following elements in which organisations can structure their rewards:

2.10.7.2.1 External Influences

World at Work (2015:1) attest that successful organisations understand that total rewards must be designed and administered in the context of not only an organisation's internal environment (for which organisations have direct control), but that it also influences the external environment (for which there is little or no control).
2.10.7.2.2 Business strategy, organisational culture and human resources strategy

Human resources and employee rewards strategies should be based on the organisation's business strategy. At the same time, every business has a unique organisational culture that is affected by the external influences in the world, as well as by senior leadership, geography, employee demographics and even the business strategy itself (World at Work 2015:1). Business strategy and organisational culture drive the design and execution of the human resources strategy, that in turn shapes the development and administration of total rewards strategy.

2.10.7.2.3 Total Rewards Strategy

The six elements of total rewards include programmes, practices, elements and dimensions that collectively define an organisation's strategy to attract, motivate, retain and engage employees. These represent the tool kit from which an organisation chooses to offer and align a value proposition that results in satisfied, engaged and productive employees who, in turn create desired business performance and results. World at Work propose a total rewards model with six essential elements discussed in details below (Boswell, Cook, Horner, Payne and Shaub, 2011:5). These elements are strong predictors of both job satisfaction and organisational commitment. According to World at Work (2015:1), they collectively define an organisation's strategy to attract, motivate, retain and engage employees, they include the following:

- **Compensation**: Pay provided by an employer to its employees for services rendered (i.e., time, effort, skill). This includes both fixed and variable pay tied to performance levels.
- **Benefits**: Programmes an employer uses to supplement the cash compensation employees receive. These health, income protection, savings and retirement programmes provide security for employees and their families.
• **Work-Life Effectiveness:** A specific set of organisational practices, policies and programmes, plus a philosophy that actively supports efforts to help employees achieve success at both work and home.

• **Recognition:** Either formal or informal programmes that acknowledge or give special attention to employee actions, efforts, behaviour or performance and support business strategy by reinforcing behaviours (e.g., extraordinary accomplishments) that contribute to organisational success.

• **Performance management:** The alignment of organisational, team and individual efforts toward the achievement of business goals and organisational success. Performance management includes establishing expectations, skill demonstration, assessment, feedback and continuous improvement.

• **Talent development:** Provides the opportunity and tools for employees to advance their skills and competencies in both their short- and long-term careers.

2.10.7.2.4 The Result

The desired outcome of an organisation's total rewards strategy is business performance and results through the work of engaged employees who contribute their time, talent and efforts. An effective total rewards strategy produces a workforce that has the right people in the right jobs who are motivated and engaged to do the right things and feel loyal to the organisation and its success (World at Work, 2015:1).

2.10.7.3 Benefits of adopting Total Rewards Approach

World at Work (2007:15) complements the following benefits of adopting a total reward approach:

• **Improved recruitment and retention.** Organisations are facing key productive talent shortages. A total reward strategy is critical to addressing the issues created by recruitment and retention. It can help create a work experience that meets the needs of employees and encourages them to contribute extra effort.
• **Reduced labour costs or cost of turnover.** The cost of turnover is sometimes invisible. The estimated cost of turnover varies from 30 per cent to 150 per cent of the yearly package of a specific position. This cost excludes indirect cost such as losses from customers and sales and decreased efficiencies. Adopting a total reward strategy reduces the possibility of staff turnover.

• **Enhanced profitability.** While organisations battle to meet financial targets, employees are looking for innovative things. To meet demands from the employees organisations are closing some programmes as cost cutting measures. Organisations needs to realise that by remixing their rewards in a more cost-effective way, they can strengthen their programmes and improve employees’ perception of value without necessarily increasing their overall investment. As organisations start to understand their true aggregate costs they can measure if they are getting a reasonable return on their overall investment. The challenge is to implement a flexible total rewards programme that will deliver the highest level of return for the organisation.

World at Work Total Rewards model is used in this study because of the benefits identified while it increases shareholder value and assists remuneration practitioners in reward making decisions.

### 2.11. EFFECTIVE REWARDS SYSTEMS IN ORGANISATIONS THAT AFFECT JOB SATISFACTION AND ORGANISATIONAL COMMITMENT

Hellriegel, Jackson, Slocum, Staude, Amos, Klopper, Louw and Oosthuizen (2008:280) state that in order for organisations to be successful, rewards must be aligned with what employees value. Njanja, Maina, Kibet and Njagi (2013:42) state that employees must be conscious of the relationship between their performance and the rewards associated with performance. Employee rewards should be utilised as a method to reinforce good behaviour of employees and improve productivity. Working overtime, taking initiative, team work, reliability, exceptional attendance, outstanding client’s feedback, meeting deadlines and productivity are among the types of
behaviour that should be rewarded (Njanja, et al., 2013:43). An effective employee rewards system needs to be designed to measure all these aspects so that rewards are given equitably. Furthermore, an effective reward system should focus on remunerating employees and their groups since this would serve as a motivator for employees to have improved performance while undertaking organisational ambitions and objectives. Njanja, et al. (2013:43) assert that immediate rewards are presented to employees for their outstanding performance. These rewards include praise by immediate supervisors while short-term rewards consist of cash benefits, special gifts for extraordinary performance and long-term rewards conferred to employees who perform exceptionally well (Njanja, et al, 2013:43). The recipients of these rewards may be more committed to their employer and thus increase employee retention. Yokoyama (2007:1) states that long-term rewards may include being incorporated as a business partner and cash benefits, which mature after many years of service. These rewards are premeditated for retaining talented employees. Effective employee rewards system needs to be designed to evaluate all these aspects so that rewards are given appropriately. Furthermore, an effective reward system should focus on remunerating employees and their groups since this would serve as a motivator for employees to render higher levels of performance while striving to meet personal ambitions and objectives.

2.12. CONCLUSION

Sound employee rewards programmes are of critical importance to organisations because the way they are designed and administered can have a significant influence on employee behaviour and on their commitment to achieve organisational goals. Effective utilisation of both intrinsic and extrinsic rewards constitutes a major part of the manager’s role to manage his or her subordinates. In this chapter, employee rewards is broken down into its constituent parts. The literature pertaining to the various rewards, rewards strategy, elements of rewards strategy is discussed. It is noted that the results from previous studies reveal the relationship between employee rewards, job satisfaction and organisational commitment from organisational level. However, these rewards can also be applicable and implemented in higher education
institutions. Notwithstanding this fact, studies have affirmed that employee rewards influence job satisfaction and organisational commitment. Furthermore, remuneration systems can be designed in various ways depending on what the organisation is willing to achieve. It is the organisation’s objective for the rewards to be cost-effective while ensuring their equal distribution. Consequently, businesses are struggling to attract suitable talent into their employment, which is due to different factors, that, among others, include: recruitment strategies; human resource development; working conditions; organisation branding; and legislation that are discussed in this chapter. Organisations should establish attraction strategies in order to attract and retain valuable employees to remain competitive in the corporate world. Employees can also take part in decision making that normally affects them; i.e. setting work goals, choosing their own benefits, improvement of productivity. This can increase employee productivity, commitment to work, motivation and job satisfaction. Finally, rewards should be linked to performance, when employees perceive a clear linkage between performance and rewards.
CHAPTER 3:
FACTORS INFLUENCING JOB SATISFACTION AND ORGANISATIONAL COMMITMENT IN HIGHER EDUCATION INSTITUTIONS

3.1. INTRODUCTION

Higher education is influential in the development of a country. It not only functions as a provider of knowledge but as a pertinent sector for the nation’s grown and societal wellbeing. Higher education institutions play a significant role in development of skills, which increases the economy, therefore a high quality of staff is required. Management at modern-day academic institutions requires special endeavours to acquire and retain highly skilled employees to operate effectively in an extremely competitive environment. Obviously, the level of job satisfaction of these individual employees impacts significantly on performance at these institutions. Mosadeghad and Yasmohammadian (2006:12) concur that organisations are social systems where human resources are the most important factors for effectiveness and efficiency. Organisations cannot succeed without their personnel efforts and commitment. Highly satisfied academics are expected to produce a better performance in education.

Job satisfaction of academic staff in higher education institutions is import because it influences their motivation and performance that are very influential in delivering quality education services. Achieving organisational goals and objectives depends on the managers’ ability to influence employees’ attitudes toward their jobs. Job satisfaction among academic staff is critical in higher education. Daft (2009:271) emphasises that as managers of knowledge workers often have to rely on job satisfaction to keep both motivation and enthusiasm for the organisation at a high level. There is less evidence available related to job satisfaction in higher education, which means that most of the literature review on these variables (job satisfaction and organisational commitment) is based on the business sector and public sector. Therefore, the purpose of this chapter is to explore the concepts job satisfaction and organisational commitment among academic staff in higher education institutions.
3.2. JOB SATISFACTION IN RELATION TO ACADEMIC STAFF IN THE HIGHER EDUCATION SECTOR

Job satisfaction is a concept that has been studied broadly in the field of human resource management and organisational behaviour in the past and continues to be regarded as highly important (Verret, 2012:1; Lam, Zhang and Baum, 2001:158; Eyupoglu and Saner, 2009:686). However, Paul (2004:41) concurs that job satisfaction is one of the most extensively researched work attitudes in organisational behaviour and is still a subject of much controversy due to a lack of consensus among researchers. It is an important construct in organisations that cannot be ignored because of the relationship it has with several significant employee behaviours such as tardiness, low productivity, absenteeism, turnover, job performance, increased motivation, better productivity and organisational effectiveness (Aydogdu and Asqikgil, 2011:44-45; Bull, 2005:13; Kipkebut, 2010:1).

In the higher education sector, academics’ attitude of job satisfaction is important. Job satisfaction may contribute more than one can expect towards achieving universities’ strategic goals. Job satisfaction can also contribute significantly in assisting the development and sustainability in the higher education sector (Noor, 2013:33). Noordin and Jusoff (2009:125) found that job satisfaction has significant impact on academics’ excellent performance, high commitment, and low turnover. Joshua (2008:5) asserts that organisational researchers have attached a high level of importance to job satisfaction. It focuses on employee attitudes towards their job. The relationship between the organisation and its members is influenced by what motivates them to work and the rewards and fulfilment they derive from it (Mullins, 2007:249). Paul (2004:41) believes that job satisfaction is an important variable to consider when evaluating an organisation’s success. Individuals enter organisations with a set of desired needs and expect the organisation to satisfy these needs. One of these expectations is job satisfaction. It is thus imperative for managers to take cognisance of the importance of ensuring that their employees are satisfied because a lack of job satisfaction can have dire consequences to an organisation (Peerbhai, 2006:54).
3.3. THE CONCEPT OF JOB SATISFACTION EXPLAINED

The term job satisfaction has been defined in many ways and several theorists have generated their own workable definitions (Worrell, 2004:10). Worrell (2004:10) further adds that the terms job attitudes, work satisfaction and job morale is used interchangeably. Luthans (2005:212) states that job satisfaction is a pleasurable positive emotional state, resulting from the appraisal of one’s job or job experience. However, Sempane, Rieger and Roodt (2002:25) assert that job satisfaction is the individual’s perception and evaluation of the job. Burmeister (2004:350) defines “the degree to which individuals feel negatively about their jobs. It is an emotional response to the tasks, as well as to the physical and social conditions associated with the workplace”. According to Chinaminikire, Mutandwa, Gadzirayi, Muzondo and Mutandwa (2007:167), job satisfaction is a pleasant emotional state resulting from the evaluation of one’s job, an effective feedback to one’s job and attitude towards one’s job. Job satisfaction is a complex, multidimensional phenomenon with numerous antecedents, which can include satisfaction with the work itself, pay, promotion opportunities, supervision and co-workers. Furthermore, job satisfaction represents an effective response to specific aspects of the job and is defined as “a pleasurable or positive emotional state resulting from the appraisal of one’s job including facets of that job” (Silverthorne, 2005:171).

However, Armstrong (2009:343) affirms that job satisfaction refers to the attitudes and feelings people have about their work. Positive and favourable attitudes towards the job lead to engagement and therefore job satisfaction. Negative and unfavourable attitudes towards the job indicate job dissatisfaction. Colquitt, Lepine and Wesson (2013:96) state that “job satisfaction represents how you feel about your job and what you think about your job”. Luthans (2008:141) affirms that employees with high job satisfaction experience positive feelings when they think about their duties or take part in task activities while employees with low job satisfaction experience negative feelings when they think about their duties or take part in task activities. For Mullins (2010:700), job satisfaction is, to a greater extent, the appropriate attitude and reflects the internal
state of the individual. However, this does not mean that the two terms (job satisfaction and motivation) can be used interchangeably. Saari and Judge (2004:396) postulate that attitudes are broader categories in relation to job satisfaction, which is only one of the subgroups of human attitudes. It is a subgroup of human attitudes concerning the way in which an individual evaluates the work done. Swanepoel, et al. (2014:373) concur that the notion of employee satisfaction, which denotes not being limited to the current job, reflects that there can also be other things apart from the job (tasks) about which one may experience dissatisfaction. Robbins and Judge (2007:79) note that an employee’s assessment of how satisfied or dissatisfied he or she is with the job is a complex summation of a number of discrete job elements. Worrell (2004:10) offered one of the earliest definitions of job satisfaction when he described the construct as being any number of psychological, physiological, and environmental circumstances which lead a person to express satisfaction with their job. Luthans (2005:212) further postulates that job satisfaction is a result of the employee’s perception of how well their job provides those things that are viewed as important. Bitsch and Hogberg (2005:659) state that job satisfaction is a general attitude towards an employee’s current job and organisation that encompasses the feelings, beliefs and thoughts of the job. Robbins and De Cenzo (2005:263) attest that job satisfaction is not a behaviour but an attitude; it is an outcome which concerns many managers. The following theory provides an understanding of job satisfaction.

3.4. HERTZBERG’S TWO-FACTOR THEORY AND JOB SATISFACTION

Hertzberg’s Two Factor theory forms the foundation for understanding the nature of job satisfaction in this study. It is also known as motivational-hygiene theory, proposed by Hertzberg in 1959. Herzberg’s theory groups motivation in two aspect groups, namely, Motivators and Hygiene (1959). The first contribution by Herzberg within these two sets creates awareness that money is not always the most important motivator in the working world. Herzberg’s study (1959) concluded that all variables that make people feel good or bad about their jobs can be grouped into one of two factors or categories. Herzberg (1959) theorised that job satisfaction is a function of motivators, which contribute to job satisfaction and hygiene factors that lead to job dissatisfaction.
According to Moloantoa (2015:21), the second major contribution by Herzberg has been to clarify the differences between intrinsic and extrinsic motivation. This supports Herzberg’s two-factor theory, which states that the distinct difference between intrinsic and extrinsic motivation relies on how the management of an organisation focuses on the determining factors that influence employees’ overall job environment. This includes aspects, such as different policies, including organisational procedures, which Herzberg believes reduces dissatisfaction levels experienced by the employee, resulting in growing job satisfaction. In addition, there is the probability that these aspects may positively affect overall production and achieve the established goals and objectives of the entire organisation. These factors relate to job content (what people actually do in their work) and are associated with positive feelings (Moloantoa, 2015:21).

Sources of work dissatisfaction are called hygiene factors. These are factors in the job context, including salary, interpersonal relations (supervisor and subordinates), company policy and administration, status and job security. If the organisation provides adequately for hygiene factors there will be no dissatisfaction. However, if hygiene factors are not in place it will cause dissatisfaction (Herzberg, 1959). Smit, et al. (2011:389) further indicated that hygiene factors are associated with individuals’ negative feelings about their work, which do not contribute to employee motivation. Herzberg theory argues that meeting the lower-level needs (extrinsic or hygiene factors) of individuals would not motivate employees to exert effort, but would only prevent them from being dissatisfied. In order to motivate employees, higher level needs (intrinsic or motivation factors) must be provided (Wan, Tan and Mohamed, 2013:19). The hygiene and motivation factors are depicted in Figure 3.1. There are a number of factors have been associated with job satisfaction, such as pay, promotion opportunities, work itself, supervision, co-workers, working conditions and workplace interactions, rewards and incentive schemes (Schultz, Bagraim, Potogieter, Viedge and Werner, 2003:220). Different studies have shown various aspects of job satisfaction such as the job, salary, promotion opportunities and relationship with co-workers (Schermennhorn, Hunt, Osborn and Uhl-Bien, 2005:158).
Figure 3.1 Herzberg’s theory: factors affecting job satisfaction

Herzberg’s theory hypothesised that hygiene factors demotivate employees when they are not appropriate, and motivating factors sustain employees’ efforts. His theory further informs that the relationship between compensation and job satisfaction is weak (Bassett-Jones and Lloyd, 2005:932). It can be assumed that employees value certain conditions of work and if these conditions are evident and congruent with the individuals own needs, employees will be more satisfied and committed and less likely to leave the organisation (Martin and Roodt, 2008:24).

Grobler, P; Warnich, S; Carrell, Elbert, N; Carrell, M and Hatfield, R (2011:130). Adapted.
Identification of factors influencing job satisfaction is essential for the best practice of human resources management. There is an abundance of literature available that emphasise the significance of job satisfaction in the higher education sector. In the context of a higher education sector, Ayranci (2011:89) states that job satisfaction signifies the happiness gained by an academic, from work and work-related factors, which include salary, promotion opportunities, colleagues and senior staff members. Job satisfaction among academics is a main turnover forecaster and can further influence students’ discernment of service excellence offered by the organisation (Molontoa, 2015:18). However, academics can become disconsolate about their job and even terminate their services, due to high stress, not communicating with colleagues, no recognition or even inadequate prospects for growth (Ucho, Mkavga and Onyish, 2012: 378).

Hence, job satisfaction of academic employees also relies on the management of the institution of higher education actively managing people for sustainable success. Hinai and Bajrachary (2014:13) state that employee satisfaction influences organisational performance as much as customer satisfaction. Employees are the internal customers of the business; they satisfy the current working environment and are willing to cooperate with the business to accomplish business goals. However, Alhawary and Aborumman (2011:153) attest that academic staff requirements must be fulfilled to improve the working environment and enable them to achieve outstanding research and teaching performance. Thus, it is in the interest of universities to retain academic staff and minimise turnover. Sohail and Delin (2013:126) attest that when academic staff feel dissatisfied, they do not perform their best and most probably they will try to change their organisation or profession.

Although research regarding job satisfaction has been conducted around the world in various fields by a number of researchers, including Mafini (2014), Mosikidi (2012), Strydom (2011), Lumley (2011), De Bruyn (2011), Ololube (2010), Howell and Hoyt
Barkhuizen and Rothman (2006), very little has been researched on the influence of employee rewards on job satisfaction and organisational commitment within academic institutions. Strydom (2011), who conducted a study on job satisfaction among fixed term academic staff in higher education in South Africa, found that pay level scored the highest important factor, while security, promotion opportunities and ultimately coworkers ranked least important factors. De Bruyn’s (2011:87) study revealed that the majority of academics were dissatisfied with their remuneration in relation to their work and qualifications. Yong’s (2002) study conducted in a local college in Kuching, with 81 full and part time academic faculties, found that one staff was fully satisfied 1.24%, 71 staff were highly satisfied 87.65% and 9 staff had the lowest level of satisfaction 11.11%. The latter in the study had measured the level of satisfaction through factors such as knowledge, control psychological, financial and tasks that had a positive correlation in which psychological and financial elements had mostly played a major role in affecting their job satisfaction. Another study investigated in South Africa focuses on job satisfaction of academics during the political transformation, when the results indicated that most of responders were satisfied with their work (Schulze, 2006).

Thus, satisfaction of academic staff assumes importance (Marcado-Taylor, Soares, Ferreira and Gouveia, 2010:35). Marcado-Taylor, Soares, Ferreira and Gouveia (2010:35) affirm that dissatisfaction stems from inadequate and non-competitive salaries and further lack of job satisfaction is due to non-monetary reasons. Intrinsic variables relate to personal growth and development while extrinsic factors are associated with security in the work environment. Machado-Taylor, et al. (2010:41) explained the importance of satisfaction and motivation of faculty members in terms of their contribution to the higher education institutions and society. Their performance influences the student learning process and determines the level of student satisfaction. The quality of the academic institution can be improved through the enhanced performance of faculty members (Comm and Mathaisel, 2003:205). Job related dissatisfactions and in extreme cases job related frustrations might lead to the faculty member to be less productive in their job and less dedicated towards the institution (Ahsan, Abdullah, Fie and Alam, 2009:132). In order to overcome such negative consequences, the reasons and factors that influence academic staff job
satisfaction have to be considered in the first place. With these facts above, it is necessary to understand the factors that influence job satisfaction. Thus, antecedents of job satisfaction are analysed in details below.

3.6. ANTECEDENTS OF JOB SATISFACTION

The following organisational aspects of job satisfaction of the study is discussed, also depicted in Figure 3.2. These aspects are the work itself, pay, working conditions, supervision and promotion.

**Figure 3.2 Antecedents of Job Satisfaction**

- **Workload**
  - Satisfaction with type of work done

- **Pay**
  - Satisfaction with pay and pay raises
  - Satisfaction with monetary and non-monetary fringe benefits

- **Working conditions**
  - Satisfaction with the people a person works with

- **Supervision**
  - Satisfaction with person’s immediate supervisor

- **Promotion**
  - Satisfaction with promotion opportunities

- **Recognition**
  - Satisfaction with recognition programmes

- **Relationship with co-workers**
  - Satisfaction with good working relationship with co-workers

Source: Grobler, P; Warnich, S; Carrell, Elbert, N; Carrell, M and Hatfield, R (2011:130). Adapted.
3.6.1. The influence of job satisfaction on workload in Higher Education Institutions

The content and nature of the work itself is a major factor that influences job satisfaction (Luthans, 2005:212). The concept of work itself is referred to by Robbins, Odendaal and Roodt (2003:77) as “the extent to which the job provides the individual with stimulating tasks, opportunities for learning, personal growth, and the chance to be responsible and accountable for results”. For Luthans (2008:142), the nature of the particular work that an individual performs is among other factors that affect job satisfaction. These include the extent to which a specific job is interesting and challenging to an individual, and the degree to which the job provides the opportunity for an individual to keep abreast of new things.

3.6.2. The impact of job satisfaction on salary in Higher Education Institutions

Heathfield (2012:1) affirms that salary is a fixed amount of money or remuneration paid to employee by an employer in exchange for a productive work performed. Pay refers to the amount of financial remuneration that is received and the degree to which is viewed as equitable in comparison to that of others in the organisation (Josias, 2005:53). Mustapha (2013:246) indicates that a remuneration system plays a significant role in determining an employee’s level of job satisfaction in higher education institutions. This factor also involves the degree to which individuals consider fair compensation they receive for their work when compared to the earnings received by the other members of the organisation. Salary has a significant effect on the job satisfaction.

3.6.3. The influence of job satisfaction on working conditions in Higher Education Institutions

Paul (2004:20) states that working conditions refer to the extent to which there are adequate resources, physical facilities, workload, work hours, rest pauses and
autonomy, which are all determinants of an employee's job satisfaction. Aydogdu and Asikgil (2011:44) state that providing good physical working conditions (e.g. cleanliness of the working place, lighting, adequate tools and equipment) enables employees to carry out their jobs easily, comfortably and efficiently. According to the study by Schulze (2006:325), the majority of lecturers in higher education institutions were satisfied with the courses they teach and their knowledge of the content of what they teach. Most were satisfied with their own skills in teaching methods, the authority they had to choose teaching methods and their autonomy to choose content. Furthermore, Ahmed and Islam’s (2011:98) study reveals that job satisfaction factors i.e. working conditions, recognition and compensation, and that there is highly significant and positive relationship between working conditions and job satisfaction among academic staff. Clarke, Kenny and Loxley’s (2010:13) study shows that almost three quarters of academics (72%) in their study believed that their working conditions had deteriorated. They were under pressure to teach more students and they worked longer hours, And felt that they did not have enough time to devote to their research. The lack of administrative support was referred to frequently. Many viewed administrative work as being unproductive and time consuming. These results clearly identify that working conditions influences job satisfaction in higher education institutions (Clarke, Kenny and Loxley, 2010:82). If factors are favourable, individuals experience higher levels of job satisfaction.

3.6.4. The influence of job satisfaction on supervision in Higher Education Institutions

Supervisors are the human faces of an organisation. Supervision can be seen as the ability to provide emotional, technical assistance and behavioural support to subordinates with work-related tasks (Certo, 2010:3). Aydogdu and Asikgil (2011:44) concur that the behaviour of the supervisor plays a significant role with regards to employee’s reactions to a problematic event. Employees who perceived their supervisor as more approachable and responsive are more likely to voice their concerns, which increases the level of job satisfaction. Mbundu’s (2011:81) study revealed that the majority of academic staff of the participants show that they are
satisfied with their relations with their immediate supervisors. The institution again scores a positive response, which needs to be maintained to keep employees happy. Sharma’s (2015:69) study reveals that there was a significant relationship between supervision and job satisfaction among academic staff. It was significantly higher than 4, $t(366) = 18.79$, $p < .001$. The results indicated that participants were generally satisfied with their relationship with supervisors. Maniram (2007:24) attests that there has been an outcry from educators of poor supervision in the education sector. Many staff complained that their seniors lack human relations and supervisory skills. They also mentioned the marked amount of favoritism and inequities that exist at management level. However, Maniram’s (2007:61) study reveals that results of supervision show that 41(17%) and 23(53%) of lecturers were satisfied with their heads of department and top management, respectively. This is encouraging, since management has established a supportive and a personal interest in the job satisfaction of their employees.

3.6.5. The influence of job satisfaction on promotion in Higher Education Institutions

With regard to opportunities for upgrading, Herzberg (1966) proposed that personal needs for progress, accountability, appealing and challenging work, safety, vacation and currency are all connected to salary system preference. Ng’ethe, et al. (2012:208) state that promotional opportunities refer to the degree an employee perceives his or her chances to grow and be promoted within the organisation. Employees expect to work in jobs that provide them with opportunities to be promoted to new and challenging positions. Swanepoel, et al. (2014:472) define promotion as a vertical career move within an organisation. Promotion typically entails aspects such as higher-level responsibilities, more complex work, greater competency demands and better remuneration. Aydogdu and Asikgil (2011:44) maintain that promotion possibilities involve the availability of advancement opportunities. If people think that they do not have many promotion possibilities, they may be affected adversely. Promotion opportunities have a positive relationship with job satisfaction (Aydogdu and Asikgil, 2011:44). Mbundu (2011:29) attests that as promotional opportunities
have a stronger impact on job satisfaction, management should use this as a motivating tool to ensure that the employee attains goals at a higher level. During the transitional periods in the formulation of the new structure, there could be positions to be utilised as promotion opportunities for employees and that could be motivational and improve job satisfaction. Manirum’s (2007:50) study reveals that 64.71% of the lecturers were very dissatisfied with prospects for promotions and upward movement while 11.76% of them reflected that they were satisfied with prospects for promotions and upward movement in their higher education institution. Issah (2013:25) states that academic effects of opportunities for advancement on job satisfaction are a matter of promotion, and therefore they reported less satisfaction because of infrequent and unequal promotion.

3.6.6. The influence of job satisfaction on recognition in Higher Education Institutions

Ng’ethe, et al. (2012:210) state that recognition refer to informal or formal acknowledgement of a person or team’s behaviour, effort or business results that support the organisation’s goals and values, which have been clearly beyond normal expectations. Wambugu and Ombui (2013:25) concur that recognition programmes are an important aspect in appreciating employees. Recognition increases job satisfaction among employees. Appreciation is a fundamental human need and employees respond to appreciation expressed through recognition of their good work because it confirms that their good work is valued. Ng’ethe, et al. (2012:210) agree that employee job satisfaction level is increased if they feel that their capabilities, efforts and performance contributions are recognised and appreciated by others and their sense of accomplishment have been met. Employees want and feel the need to know how well they are doing. Mbundu’s (2011:36) study discovered a significant effect on the level of satisfaction with policies, and the level of education significantly affected satisfaction with recognition in higher education institutions. He recommended that management should recognise those individuals who acquire higher levels of education, research outputs and higher pass rates by providing a structure for advancement or by providing some monetary compensation. Manirum’s (2007:58)
study indicated that 39 (21%) and 54 (90%) of the lecturers were either dissatisfied or very dissatisfied for recognition for work done and the amount of praise they receive for outstanding efforts, respectively. Gathering from the Minnesota Satisfaction Questionnaire (MSQ), it is evident that staff are generally dissatisfied with these aspects of their job. He recommended for future research that staff receive acknowledgement for their outstanding efforts (Manirum, 2007:59), conducted in the form of continuous appraisals, staff awards or creating an innovative reward system that would heighten their morale and at the same time acknowledge their good performance at the college. Furthermore, future research could investigate the criteria for recognition of work done, such as staff awards and the degree of transparency it offers.

3.6.7. The impact of job satisfaction on relationship with co-workers in Higher Education Institutions

Robbins, Odendaal and Roodt (2006:77) state that the degree to which fellow employees are technically proficient and socially supportive to one another influences job satisfaction. McClelland’s theory on the need of affiliation and Maslow’s theory on the need for belonging postulate that an employee’s social needs can be satisfied at work. Lee and Ok (2011:1) state that since employees spend the majority of their time at work, interpersonal relationships are consciously and unconsciously formed. Working relationships at the workplace involve daily interactions amongst employees. Such interactions are a natural and integral part of the working environment and are habitually pleasant, but sometimes create conflict (Stoetzer 2010:1). In environments where employees have a lot in common they work closely with one another. When these employees enjoy working together and their working environment is rewarding, there is a desire to form bonds with each other (Morrison and Nolan, 2007:34). Gürbüz’s (2007:44) study reveals a positive relationship between the education level and job satisfaction related to the work context (r=0,302, P<0,001). The job satisfaction of employees was measured by some criteria, which were related to supervisor, job content, work conditions, administration, income, opportunities for development and relationship with co-workers. Gürbüz’s (2007:44) further suggested that if criteria are
either unsuitable or suitable, job satisfaction of high education level workers either decreases or increases. Islam (2015:19) affirms that the relationship with co-workers is widely viewed as the predictor of job satisfaction. However, a relationship with co-workers is equally important to determine overall job satisfaction (Ismal, 2015:19). Schroder (2008) undertook a study of job satisfaction among employees in a Christian university, finding that the university employees were particularly satisfied with the relations with their peers and students. The author notes that with the exception of faculty, university employees were more satisfied with their relations with students and peers. Additionally, Okedigi, Etuk, and Anthony (2011) concluded that academic staff are dissatisfied in a work environment where co-workers exhibit an unconcerned attitude, and the dissatisfaction often manifests in negative behaviors such as low productivity, high level of absenteeism and turnover, lateness to duty, and lack of organisational commitment.

3.7. BIOGRAPHICAL ANTECEDENTS OF JOB SATISFACTION

Age, gender, marital status, education, tenure and job status are common variables used to determine what relationship they may have on job satisfaction. Evidence from various research findings by Noor (2011:198) revealed that there is a significant relationship between biographical characteristics and job satisfaction in higher education institutions. These findings are echoed by the findings of Ramosodi (2010:32), which show no relationship between personal characteristics and job satisfaction, and hence concludes that these studies produced mixed results, with some positive relationships being identified and, in some instances, negative ones for the same variables.

3.7.1. Gender as biographical antecedent of job satisfaction

The study by Ntisa (2015:108) revealed that males experience higher levels of job satisfaction than females in Higher Education Institutions. The study was consistent with previous study by Callister (2006:374) which found that male academics have
higher levels of job satisfaction than female academics. The study by Paula and Phua (2011:142) found that the levels of job satisfaction experienced were the same for both male and female academics. However, Sabharwal and Corley (2009), in their study, found that male participants had significantly higher levels of job satisfaction than their female counterparts. According to Qiao, Khilji and Wang (2009), gender has a significant influence on the level of organisational commitment shown by employees. Booysen’s (2008:85) study depicted low to moderate, positive relationships between the biographical characteristics and job satisfaction. The results by Booysen (2008:85) indicated weak to moderately strong, significant relationships between gender and job satisfaction. Hamman-Fisher’s (2008:190) study revealed that there was also a statistically significant relationship between gender of participants and job satisfaction.

3.7.2. Age as biographical antecedent of job satisfaction

Paula and Phua (2011:149) report that job satisfaction increases with age. It is generally believed that job satisfaction increases linearly with age, i.e. most employees seem to derive better job satisfaction with advancement in age (Ncube, 2014:272). According to Ntisa’s study (2015:112), there is a significance difference between age and job satisfaction. Saner’s (2012:1024) study revealed that job satisfaction levels of the older academics are on the whole higher than the younger academics. The findings of Saner (2012:1025) indicated that overall job satisfaction and extrinsic satisfaction levels vary for different age groups of academics (that is, a statistically significant relationship exists between age and the two satisfaction measures). However, a statistically significant relationship does not exist between age and intrinsic satisfaction. Ntisa (2015:112) further showed that job satisfaction amongst younger academics is lower than of older academics in higher education institutions, especially in UoT sector. According to Tausif (2012:694), age difference has a relationship with job reward and job satisfaction. Tausif (2012:694) further adds that older employees in academic institutions have a higher level of job satisfaction.

Malik and Naeem (2009:25) concur that employees aged between 26-30 years value “pay and fringe benefits” more than those aged between 20-25 years. The study
conducted by Bodla and Naeem (2004:5) revealed that older sales representatives are more satisfied with the job than their younger counterparts. Junior frontline employees are somewhat more satisfied with their job than senior counterparts. Singh (2010:70) produced similar results that shows older salespersons (greater than 35 years) are somewhat more satisfied with their jobs than younger counterparts (less than 35 years). Junior sales-force feel more satisfaction with job than senior sales force. Similarly, Iqbal (2011:7) found that older workers are more likely than younger workers to experience higher levels of organisational commitment.

Lamberts (2011:151) reveals that there is statistically significant differences in job satisfaction of high school educators based on age. This also collates with a study conducted by Olulube (n.d.), which concurs with the results of Lamberts (2011:151), indicating that there is a high statistical difference between teachers’ age differentiation and their consequent job satisfaction. In a study conducted by Ngimbudzi (2009:66), results revealed that there were statistically significant differences in job satisfaction in relation to age. Findings of a study conducted among teachers by Rasku and Kinnunen (2003) cited in Ngimbudzi, 2009:66) revealed that there was a strong relationship between the teachers’ age and job satisfaction. Hamman-Fisher’s (2008:190) study reveals that statistically there is a significant relationship between age and job satisfaction.

3.7.3. Tenure as biographical antecedent of job satisfaction

Mncube and Samuel (2014:279) revealed that there is significant relationship between job satisfaction and tenure. These findings also collate with studies of Lamberts (2011:151), which showed that teachers indicate that there are statistically significant differences in job satisfaction of high school educators based on tenure. The findings of a study by Oshagbemi (2003) found tenure to be positively and significantly related to job satisfaction. Booysen (2008:85) reveals that a moderately positive correlations existed between the biographical characteristics of the sample and their levels of job satisfaction. The correlation coefficients varied between tenure and job satisfaction. Okpara (2004:335) articulates this positive correlation and postulates that over time
employees eventually settle into their jobs, which may result in an increase in organisational commitment and job satisfaction. However, Oshagbemi (2000:338) found that the job satisfaction of university lecturers was significantly positive, and correlated with the length of employment of participants. Oshagbemi’s (2000:338) findings were echoed by Sessanga and Garrett (2005:52) who found a positive relationship between tenure and job satisfaction. Hamman-Fisher’s (2008:190) study reveals that there is also a statistically significant relationship between the tenure of participants and job satisfaction.

3.7.4. Educational level as biographical antecedent of job satisfaction

Shirkhani, Rezaei and Javanshiri (2013:130) state that different scholars concluded differently when assessing the association between educational level and job satisfaction. Bull (2005:50) notes that educated employees are likely to experience higher levels of job satisfaction when their duties are in line with their level of education. However, Shirkhani, et al. (2013:134) reveal that there is a significant relationship between educational level and job satisfaction. Ncube and Samuel (2014:278) discovered that there is a positive and significant relationship between job satisfaction and educational level among municipality employees. Roopai (2012:70) confirms a significant relationship between job satisfaction and educational level. This assertion by Roopai (2012:70) further indicated that master’s degree holders are more satisfied with their job than undergraduate degree holders. However, Ghafoor’s (2014:142) study indicated that job satisfaction increases with an increase in education level. The results of the current study suggest that the academic staff members who have a higher qualification, e.g. PhD and MPhil, were comparatively more satisfied than those who were less qualified. Booyse (2008:85) reveals that there is a positive relationships between marital status and job satisfaction. Similarly, Hamman-Fisher (2008:190) reveals that there is also a statistically significant relationship between education and job satisfaction.
3.7.5. Position as biographical antecedent of job satisfaction

The concept of rank or designation is used interchangeably with each other. Empirical evidence exists (Oshagbemi, 2003; Paul and Phua, 2011:149) supporting the notion that the position held by an employee has a significant influence on his/her level of job satisfaction. These results are consistent with those reported by Paul and Phua (2011:149) who found a relationship between job satisfaction and job position among academics. Rank or designation is consistently and positively related with job satisfaction across a range of studies (Egbule, 2003:164; Ssesanga and Garrett, 2005:51). Ghafoor (2014:145) illustrated that permanent academic staff members were comparatively more satisfied with their jobs than contractual staff members.

3.7.6. Marital status as biographical antecedent of job satisfaction

Another influential biographic variable that might have a bearing on job satisfaction is the marital status of the employees (Azim, Haque and Chowdhury, 2013:491). The study by Lamberts (2011:133) illustrated comparison of scores on the basis of marital status revealed significantly higher scores of married teachers. The status of marriage brings considerable satisfaction to both men and women but delivers a special bonus to women, as married women are found to be happier than single women. Married individuals are somewhat more satisfied with their job than unmarried individuals. Lamberts (2011:133) further reveals that there is statistically a significant relationship between job satisfaction of educators based on their marital status.
3.8. OUTCOMES OF JOB SATISFACTION IN HIGHER EDUCATION INSTITUTIONS

Previous studies reveal that job satisfaction or dissatisfaction can have positive or negative consequences for employees and organisations (John, 2004:45; Maniram, 2007:26). This is because of its correlation with important variables such as tardiness, organisational commitment, performance, turnover, and absenteeism that have a direct impact on an organisation’s effectiveness (Kreitner and Kinicki, 2001:226). Peerbhai (2006:49) infers that factors such as labour market conditions, expectations about alternative job opportunities, and length of tenure with the organisation are important constraints on the actual decision to leave one’s current job.

3.8.1. Turnover as outcome of job satisfaction

Robbins, et al. (2003:267) indicate that research strongly support the view that turnover is inversely related to job satisfaction. Kreitner and Kinicki (2001:228) caution managers to try and reduce turnover by increasing the levels of employee job satisfaction because it both disrupts organisational continuity and is very costly. Greenberg and Baron (2004:353) acknowledge that employees with a low level of job satisfaction often tend to withdraw from situations and environment as a means of dealing with their dissatisfaction. Voluntary turnover is another form of employee withdrawal; not reporting for duty or resigning to seek new job prospects (Greenberg and Baron, 2004:353). Moreover, Steel and Ovalle’s (2007:122) study reveal a moderate significant relationship between job satisfaction and turnover, indicating that less satisfied workers are more likely to quit their jobs. Luthans (2005:149) discovered a moderate relationship between satisfaction and turnover.
3.8.2. Absenteeism as outcome of job satisfaction

Nel, *et al.* (2004:58) state that absenteeism refers to withdrawal behaviour when it is used as a way to escape an undesirable working environment. Hoque and Islam (2003:81) describe absenteeism as a “subject to be studied, matter to be thought over and a problem to be solved”. Besides the direct costs associated with absenteeism, there are also indirect costs, such as hiring of casual staff, reduced productivity, turnover and potential loss in revenue (Cole, 2002:60; Mason and Griffin, 2003:660). Khamseh (2011:1) found a consistent negative relationship between job satisfaction and absenteeism. The more satisfied employees are, the less likely they are to miss work. It makes sense that dissatisfied employees are more likely to miss work, but other factors have an impact on the relationship and reduce the correlation coefficient (Khamseh, 2011:1). Hellgriel, Slocum and Woodman (2009:35) concede that when satisfaction is high, absenteeism tends to be low and when satisfaction is low then absenteeism tends to be very high. Recently, Ntisa’s (2015:121) study reported a negative and significant correlation between job satisfaction and absenteeism, which implies that if academics are satisfied with their jobs there is a less tendency to become absent at work. Ntisa (2015:121) mirrored the findings of Camp and Lambert (2006:148) who reveal that dissatisfied employees abuse their sick leave to withdraw from the workplace.

3.8.3. Performance as outcome of job satisfaction

Kreitner and Kinicki (2008:175) state that there is a significant relationship between job satisfaction and job performance. Luthans (2005:125) states that although there is supporting research evidence on the causal direction, which shows that job satisfaction influences performance rather than vice versa, there seems to be many possible moderating variables, for example, rewards. Employees will thus be satisfied if they receive equitable rewards, which is likely to lead to greater performance efforts. Armstrong (2009:344) concurs that it is a commonly held and seemingly not an unreasonable belief that an increase in job satisfaction will result in improved performance. However, research has not established any strongly positive connection
between satisfaction and performance. Baghaei (2007:142) found a correlation of satisfaction to absenteeism that is also proved conclusively. Employees who are dissatisfied are more likely to take “mental health” days, i.e. days off not due to illness or personal business. Simply stated, absenteeism is high when satisfaction is low. Ntisa (2015:122) revealed that there is significant negative relationship between absenteeism and job satisfaction, which results badly on work performance. This implies that academics will perform poorly and absent themselves if they are not satisfied with their jobs.

3.8.4. Productivity as outcome of job satisfaction

Productivity is when an organisation achieves its goals effectively and efficiently, and does so by transferring inputs to outputs at the lowest cost (Paul, 2004:35). Pushpakumari (2008:89) states that attainment of a high level performance through productivity and efficiency has always been an organisational goal of high priority. In order to do so, a highly satisfied work force is an absolutely necessity for achieving a high level of performance advancement of an organisation. A satisfied worker extends more effort to job performance, then works harder and better. Thus every organisation tries to create a satisfied work force to operate the wellbeing of the organisation. Khamseh (2011:1) states that happy workers are not necessarily productive workers. The evidence suggests that productivity is likely to lead to satisfaction (Khamseh, 2011:1). Luthans (2005:127) believes that a relationship between job satisfaction and productivity exists but is not solid. Employees who are most satisfied will not necessarily be the most productive employees. However, John’s (2004:46) study reveals that there is a significant and positive relationship between satisfaction and productivity even though it is not consistent.
3.9. TYPES OF JOB SATISFACTION MEASUREMENT SCALES

Numerous scales have been developed over the years to measure job satisfaction within organisations. Worrell (2004:16) highlights that basic forms of measurement might include an interview, a single-item measure or a workplace observation. However, most researchers opt for a more objective and in-depth survey instrument. Worrell (2004:16) identifies and describes the three most widely cited survey instruments found in the literature as the following: job satisfaction survey (JSS), Minnesota Satisfaction Questionnaire, and Job Descriptive Index, which are all capable of measuring job satisfaction. These scales are further discussed to choose the best scale for the study.

3.9.1. The Minnesota Satisfaction Questionnaire (MSQ)

The Minnesota Satisfaction Questionnaire was one work produced from the Work Adjustment Project at the University of Minnesota. The Minnesota Job Satisfaction Scale (MJSS) was developed at the University of Minnesota by Weiss, Dawis, England and Lofquist (1967) based on the theory of work. It is a Likert-type questionnaire with 20 sub scales with five items in each scale. It has been found to be a valid instrument to measure job satisfaction among various occupational groups. It is designed to measure specific aspects of an employee's satisfaction with his or her job. It provides more information on the rewarding aspects of a job rather than more general measures of job satisfaction (Worrell, 2004:16).

3.9.2. Job Descriptive Index (JDI)

The Job Descriptive Index was developed by Smith, Kendall and Hullin in 1969 to measure both general satisfaction and specific facets of satisfaction. It is a 72 item, five-dimension questionnaire. Participants are required to answer “yes” or “no” and “uncertain” to a given statements describing their jobs. Five dimensions include pay, promotion, co-workers, the work itself and supervision (Kinicki, Schriesheim, McKee-Ryan and Carson, 2002). Worrell (2004:16) states that the JDI has been widely used.
and researched for over 40 years and has become one of the most popular job satisfaction survey instruments. The only limitation of the JDI is that it only has five facets (Spector, 1996:217). A concern with the JDI is its length.

### 3.9.3. Job Satisfaction Survey (JSS)

The JSS was developed in 1997 by Paul E. Spector to assess employee attitudes about the job and aspects of the job. The JSS is a scale that assesses nine job satisfaction dimensions. According to Spector (1997), the JSS was developed based on a facet approach, which suggests that the different facets used to assess an individual’s job satisfaction preferences are: appreciation, communication, co-workers, fringe benefits, job conditions, nature of work itself, organisation itself, the organisation’s policies and procedures, pay, personal growth, promotion opportunities, recognition, security and supervision. This instrument uses 36 items to measure nine job dimensions, which collectively assess the attitude of the employee and the aspects of the employee’s job. Spector (1997) adopted a multifaceted approach to assess job satisfaction because it provides a clearer picture of how satisfied an individual is with their job according to different levels of satisfaction with regard to the various facets. A job satisfaction survey is used in the present study to gather data from selected target participants.

### 3.10. ORGANISATIONAL COMMITMENT IN HIGHER EDUCATION INSTITUTIONS

Commitment in the workplace is a concept that has attracted a great deal of attention from scholars in many disciplines, including industrial psychology, organisational behaviour, management, business administration, and public administration (Cohen, 2007:3). Feldman (2004:514) stated that there are several forms of engagement such as: commitment to the job, the workgroup (and/or the union), the organisation and the profession. Individuals hold multiple commitments in the workplace, and these various foci have different consequences for workplace behaviours. As part of this study the researcher only focuses on the commitment of employees to the organisation.
(organisational commitment), which treats the relationship between employees and the organisation.

3.10.1. Overview of the concept organisational commitment

Employee commitment can relate to various things such as commitment to the organisation, to the work itself and to the occupation. Organisational commitment is a psychological state that impels an individual towards a course of action of relevance to one or more targets (Smith, Mitchell and Mitchell, 2009:821). Similarly, organisational commitment is a psychological state that impels an individual towards a course of action of relevance to one or more targets (Chirico and Salvato, 2008:175). SamGnanakkan (2010:41) states that organisational commitment is a bi-dimensional concept that includes an attitudinal as well as a behavioural aspect. Committed employees have an active curiosity, a passion for learning, a willingness to challenge the status quo, and an eagerness to experiment with new methods and strategies (Jafri, 2010:62).

Madsen, Miller and John (2005:216), as well as Yiing and Ahmad (2009:56), are of the opinion that committed employees have a strong belief in and acceptance of the organisation’s goals and values, show a willingness to exert considerable effort on behalf of the organisation, have a strong desire to maintain membership with the organisation, and are loyal to it. Cunningham (2012:74) adds that an employee with a high level of organisational commitment wishes to maintain membership of the organisation and explains that this commitment differs from other types of commitment such as occupational commitment. These definitions above highlight three characteristics: a belief and acceptance of values of the organisation; a strong willingness to put effort into the organisation; and a desire to remain with the organisation (Alhassan, 2012:63).

Similarly, the concept of organisational commitment involves the following three factors (Maxwell and Steele, 2003:362):

- a strong belief in and acceptance of the organisation’s goals and values;
3.10.2. Dimension of organisational commitment

According to Allen and Meyer (1990:10), organisational commitment is a psychological state that binds the individual to the organisation. Meyer and Allen (1997:106) developed the three component model of organisational commitment, which includes affective, continuance and normative commitment. Affective commitment (AC) focuses on emotional attachment and organisational involvement and deals with desires or wants ('I want my job'); continuance commitment (CC) involves the perceived cost associated with leaving ('I need my job'); and normative commitment (NC) implies a sense of obligation to remain with the organisation ('I ought to keep my job') (Meyer and Allen, 1997:107). Normative commitment is the least understood component of commitment, and several researchers have suggested that this component may be multifaceted (Meyer and Allen, 1997:108). Allen and Meyer (1990:1-18) were inspired by the work of Mowday, et al. (1982:1-253) to study organisational commitment. Indeed, it is from the attitudinal component that they have developed their three-dimensional concept of commitment. Overall, these theorists argued that organisational commitment is a psychological state (Meyer and Allen 1991:67) that:

- characterises an employee’s relationship with the organisation; and
- has implications for the decision to continue membership in the organisation.

This model, therefore, has three distinct constructs/components, which refer to a relationship between an individual and the organisation.
3.10.2.1 Affective commitment as a dimension of organisational commitment

Affective commitment, which refers to the emotional bond that the employee develops with the organisation. According to Allen and Meyer (1997:11), affective commitment is the employee’s emotional attachment to, identification with and involvement in the organisation. Organisational members who are committed to an organisation on an affective basis, continue working for the organisation because they want to (Meyer and Allen, 1997). It is based on positive feeling or emotion towards the organisation. Employees want to remain and are willing to exert effort on behalf of the organisation because of positive work experiences and benefits of the organisation. Aamodt (2004:323) states that affective commitment reflects the extent to which an employee wants to remain with an organisation, cares about the organisation, and is willing to exert effort on its behalf. However, Robbins and Judge (2011:74) add that affective commitment refers to the emotional attachment to the organisation and a belief in its values.

Employees with high levels of affective commitment stay with an organisation because of the strong emotional attachment they have towards it and a desire to remain with it (Newman, Thanacoody and Hui, 2009:5; McKenna, 2005:16). Affective commitment further encourages employees to work cooperatively, to perform assigned tasks, and to undertake changes in their ability in order to accomplish organisational goals. Hence, affective commitment is viewed as one of the most important factors in supporting change, as it promotes knowledge interaction between employees (Chirico and Salvato, 2008:176). According to Mosadeghrad, Ferlie and Rosenberg (2008:212), individual and organisational factors may influence the level of affective commitment. Individual factors include personality, values orientation, education, or age, while organisational factors include believing that employees’ roles and job goals are clearly defined as well as receiving management support.
3.10.2.2 Continuance commitment as a dimension of organisational commitment

Continuance commitment is an awareness of the costs associated with leaving the organisation. It is calculative in nature because of the individual's perception or weighing of costs and risks associated with leaving the current organisation (Allen and Meyer, 1991:67). Continuance commitment is defined as a desire to remain a member of an organisation (Chien-Hung and Wen-Cheng, 2012:89). Chien-Hung and Wen-Cheng (2012:89) explained that employees are likely to exhibit continuance commitment when they have achieved personal investment (such as pensions) in their employing organisation or when they have developed an emotional attachment to their organisation.

Furthermore, continuance commitment is the perceived economic value of remaining with an organisation compared to leaving it (Robbins and Judge, 2011:74) while Bounocore and Russo (2013:94-95) further attest that continuance commitment is linked to this (it forms part of the same construct or phenomenon, namely, organisation commitment) and signifies the employee’s wish to remain with the organisation, believing he or she might lose too much by leaving. Stallworth (2004:946) states that continuance commitment is also strengthened by a perceived lack of employment alternatives, which increase the cost associated with leaving the organisation. These costs may be two-fold, one being the personal sacrifices associated with leaving, and a lack of alternatives available to the employee (Curtis and Wright, 2001:60). Allen and Meyer state that personal sacrifices may include loss of benefits or status in the organisation.

3.10.2.3 Normative commitment as a dimension of organisational commitment

Normative commitment refers to employees’ perceived obligations to remain with the organisation. These are said to be based on feelings of gratitude for inducements they have received from the organisation, such as training and personal development. Allen and Meyer (1997:11) define normative commitment as a feeling of obligation to
continue employment. Employees with normative commitment feel that they ought to
remain with the organisation. Employees stay because they should do so or it is the
(2010:286) maintain that normative commitment refers to the extent to which an
employee feels obligated to an organisation and as a result, feels that he/she must
remain with the organisation.

Normative commitment is a form of commitment that is based on an individual’s feeling
of obligation to remain with the organisation (Falkenburg and Schyns, 2007:710). An
example of normative commitment is that if an organisation is loyal to the employee
or may have supported the employee’s educational efforts, he/she may report higher
degrees of normative commitment (Williams, 2004:1). It is a commitment influenced
by societal norms about the degree to which individuals should be committed to the
organisation. It can be described as the belief by an individual that one has a moral
obligation to engage in a mode of conduct reflecting loyalty and duty in all social
situations in which one has a significant personal involvement (Cohen, 2007:343).

3.11. THEORETICAL APPROACHES TO ORGANISATIONAL COMMITMENT

Organisational commitment has been studied from different perspectives by various
researchers. Some studies have used the social exchange theory to explain
organisational commitment while others have used the attitudinal or behavioural
approach. Some researchers, however, have claimed that organisational commitment
cannot be studied without considering its multidimensional nature (Reichers, 1985).
These different approaches to the study of organisational commitment are discussed
below.

3.11.1. Social exchange theory

The exchange perspective views the employment relationship as consisting of social
or economic exchanges (Aryee, Budhwar and Chen, 2002:267; Cropanzano, Rupp
and Bryne, 2003). Economic exchange relationships involve the exchange of economic benefits in return for employees’ effort and are often dependent on formal contracts, which are legally enforceable. On the other hand, social exchanges are ‘voluntary actions’ which may be initiated by an organisation’s treatment of its employees, with the expectation that the employees will be obligated to reciprocate the good deeds of the organisation (Blau, 1964; Aryee, et al., 2002; Gould-Williams and Davies, 2005).

The exchange approach view of organisational commitment posits that individuals attach themselves to their organisations in return for certain rewards from the organisations (March and Simon, 1958; Hrebiniaq and Alutto, 1972; Steers, 1977; Mowday, et al., 1982; Farrell and Rusbult, 1981). According to this view, employees enter organisations with specific skills, desires and goals, and expect to find an environment where they can use their skills, satisfy their desires and achieve their goals. Perceptions of favourable exchange/rewards from the employees’ viewpoint are expected to result in increased commitment to the organisation. Similarly, the more abundant the perceived rewards in relation to costs, the greater the organisational commitment. On the other hand, failure by the organisation to provide sufficient rewards in exchange for the employees’ efforts is likely to result in decreased organisational commitment. This perspective is consistent with Becker’s (1960) idea of calculative commitment where individual commitment to the organisation is in part a function of accumulated investments.

3.12.ANTECEDENTS OF ORGANISATIONAL COMMITMENT

Chughtai and Zafar (2006:39) state that over the past three decades, an impressive amount of research efforts have been devoted to understanding the nature, antecedents, and consequences of organisational commitment. Employee commitment is important because high levels of commitment lead to several favourable organisational outcomes. Meyer and Allen (1997) identified three major sources for the development of affective commitment: organisational characteristics,
personal characteristics, and work experience. Although studies have shown that gender, tenure, and other personal characteristics have been correlated with organisational commitment (Steers, 1977; Marsh and Mannari, 1977), organisational commitment in those studies was not measured as a multi-dimensional construct but rather as a simplistic one. Mottaz (1988) noted that the demographic variables, such as age and education, have little effect on organisational commitment. Meyer and Allen (1997) also suggested that personal characteristics, which can be measured by the demographic variables (e.g., gender, age, tenure) and the dispositional variables (e.g., personality, values), has little to do with affective commitment. There have been a number of studies that have investigated the personal correlates of organisational commitment. Characteristics such as age, race, gender, marital status, educational level and tenure have been found to influence organisational commitment (Bull, 2005:56).

3.12.1. Age as antecedent of organisational commitment

Cohen (1993:144) states that age is one of the most important antecedents of organisational commitment, primarily because it is considered as the main indicator of side-bets (Becker, 1960), a term that has been used to refer to the accumulation of investments valued by the individual, which would be lost if he or she were to leave the organisation. There are contradictory findings in previous studies regarding the relationship between age and organisational commitment (Martin, 2007:47). Some studies found no relationship between age and organisational commitment. In contrast, other researchers have found a positive relationship between age and organisational commitment. Meyer and Allen (1984:377) posit that age may affect organisational commitment differently across different age groups. They argued that younger employees may be more committed to their organisations because of their awareness that with less work experience they often have fewer job opportunities. As younger employees gain experience, alternative employment opportunities may increase. Subsequently, this decreases the magnitude of one important cost of leaving, that of having no other job. Chughtai and Zafar (2006:42) state that another possible explanations for this relationship is that there are few employment options
available to older employees who realise that leaving may cost them more than staying.

3.12.2. Race as antecedent of organisational commitment

In a study conducted by Martin and Roodt (2008:29), which focuses on the perceptions of organisational commitment, job satisfaction and turnover intentions in a post-merger South African tertiary institution, a significant relationship was found between organisational commitment and race. In this study, black participants from the sample were found to be more positive about the commitment to the organisation than their white counterparts. Martin and Roodt (2008:29) state that South Africa is continually changing, weeding out the inequalities of the past, and therefore with the merger at hand, black staff will feel more committed to the changes than their white counterparts who may feel intimidated, particularly as historically, South African educational institutions were regarded as protected institutions. In contrast, Vallabh and Donald (2001:36) found that white managers were possibly more committed to the organisation due to the lack of job opportunities available to them.

3.12.3. Gender as antecedent of organisational commitment

Previous research on gender and organisational commitment has yielded contradictory results. According to Muhammed and Eleswed (2013:46), the influence of gender on organisational commitment remains unclear. Previous studies found that women were more committed to their organisations than men, whereas others have found that men are more committed than their female counterparts. According to Mowday et al. (1982:31), women may place greater value on their organisations and jobs than do their male counterparts since they have had to overcome more barriers to attain their positions in organisations. Subsequently, the effort required to enter the organisation translates into higher organisational commitment of female employees. Wahn (1998:259) concluded that literature appears to support either no gender
differences in organisational commitment or a greater commitment of women to their organisations.

3.12.4. Marital status as antecedent of organisational commitment

According to (Chughtai and Zafar, 2006:43), marital status has emerged as a consistent predictor of organisational commitment. Married people have more family responsibilities and need more stability and security in their jobs, therefore they are more likely to be more committed to their current organisation than their unmarried counterparts. In the light of these findings, it was hypothesised that marital status would be positively related to commitment. (Chughtai and Zafar, 2006:43).

3.12.5. Educational level as antecedent of organisational commitment

Research generally indicates an inverse relationship between organisational commitment and an individual’s level of education (Mowday, et al., 1982:30). A number of researchers maintain that the higher an employee’s level of education, the lower the level of organisational commitment. The negative relationship may result from the fact that highly qualified employees have higher expectations that the organisation may be unable to fulfil, thus resulting in the loss of commitment (Mowday, et al., 1982:30; Muhammed and Eleswed, 2013:46). In contrast, other researchers postulate that higher levels of education enhance the possibility that employees can find alternative employment which may reduce their levels of organisational commitment (Mowday, et al., 1982:30). Martin and Roodt (2008:29) support this finding by stating that organisational commitment may not be a psychological predisposition, but rather, in this case, the confidence one has about finding alternative work. Commitment to the organisation, therefore, will be lowered as less ‘dependence’ is placed on it.
3.12.6. Tenure as antecedent of organisational commitment

A positive relationship between organisational commitment and tenure has been hypothesised by numerous researchers in the past (Meyer and Allen, 1984:377; Cohen 1993:144; Chughtai and Zafar, 2006:42). According to Meyer and Allen (1984:377), as an individual’s length of service with a particular organisation increases because he/she may develop an emotional attachment to the organisation (affective commitment), it makes it difficult to change jobs. Meyer and Allen (1984:378) state further that the longer an individual works in a particular organisation the more likely it is that the individual may develop an emotional attachment with the organisation, making it difficult for that individual to switch jobs. Meyer and Allen (1997) also suggest that the results of a positive relationship between tenure and organisational commitment might be a simple reflection of the fact that uncommitted employees leave an organisation, and only those with a high commitment remain. Tenure was significantly correlated with the affective measures of organisational commitment, adding to a substantial body of literature, which suggests that employees who are older and who have been employed longer with a particular organisation have a stronger affective commitment to it (Cohen, 1993:143).

3.13. THE EXISTING DRIVERS OF ORGANISATIONAL COMMITMENT

The sources of organisational commitment may vary from person to person. According to Hellriegel (2001:54), employees’ initial commitment to an organisation is determined largely by their individual characteristics, such as personality, attitudes and personal aspirations and how well their early job experiences match their expectations (work culture, reward systems, performance management, training and development). When the reasons for entering an organisation diverge from the reasons of staying, organisational commitment cannot be met and there are many chances that employees lose their motivation (Bragg, 2002:18). It is advisable for managers to always stimulate the commitment of their employees. Bragg (2002:18-19) indicates
that commitment depends on three main drivers, namely, fairness, trust, and concern for employees. Foremost, fairness is discussed in the following section.

3.13.1. Fairness as a driver of organisational commitment

Workplace concerns about fairness over pay systems, managerial favouritism and equal recognition are challenging for any organisation and can be frustrating for employees and leaders alike (Erb, 2013:1). Organisational fairness can be conceptualised as having two dimensions: procedural justice, and distributive justice (Friend, Bellenger and Boles, 2009:29-30). Friend, et al. (2009:30) explains further the two dimensions by identifying their traits. Procedural justice includes pay administration, rule extensions and latitude, while distributive justice includes more outcome based traits such as pay rules, distributing tasks and pay levels (Friend, et al., 2009:30). Organisational fairness can also be studied in the context of internal equity, which is positively related to commitment, but demonstrates varying degrees of strength (Friend, et al., 2009:30). Concerning the transparency in the process of rewarding or paying employees for their services, Erb (2013) clarifies that when it comes to a sense of fair play, it's not just about the amount of the pay cheque that matters; the transparency of the compensation system and a clear commitment to equity by organisations are critical in ensuring that people feel fairly paid. In conclusion, in the absence of fair treatments, employees seek to be compensated through litigation, and grievances (Erb, 2013).

3.13.2. Trust as a driver of organisational commitment

Trust in organisational authorities has been shown to influence a variety of subordinate’s work attitudes and behaviours (Chughtai and Zafar, 2006:43). According to Rogers and Riddle (2003:3), trust means confidence: (1) confidence that others’ actions are consistent with their words; (2) confidence that people with whom you work are concerned about your welfare and interests apart from what you can do for them; (3) confidence also means that the skills one has developed are respected and valued
by co-workers and by the organisation at large; (4) and confidence of who you are and what you believe in truly matter in the workplace (Rogers and Riddle, 2003:3). Trusted leaders obtain many rewards, such as committed employees, retention of top talent, positive work culture, and the most exceptional results (Rogers and Riddle, 2003:3). Friend, et al. (2009:28) further explain the relationship between trust in one’s supervisor and commitment by noting that individuals prefer trusting work relationships and will commit themselves to the organisation at a greater degree when this trust exists. Employers should work hard to build trust within their organisation so that their employees can feel comfortable. Friend, et al. (2009:28) conclude that a trust construct can act as a mediator between fairness and organisational commitment as well as job satisfaction and commitment.

3.13.3. Concern as a driver of organisational commitment

Naicker (2008:42) indicates that money certainly plays a part in building organisational commitment; however, it is clearly not enough in today’s work environment. A large measure of organisations’ success derives from its management of people and from creating a climate for employees to feel comfortable in. Employers who wish to build organisational commitment should create an environment of fairness, trust, concern and care by acting consistently in such a way that employees perceive them as employers who really care for them (Linguli, 2013:16). Now the question is: What can be the antecedents of organisational commitment?

3.14. THE RELATIONSHIP BETWEEN JOB SATISFACTION AND ORGANISATIONAL COMMITMENT

Organisational commitment and job satisfaction are important attitudes when assessing an employee’s intention to stay, and his/her overall contribution to a business (Lok and Crawford, 2004:321-322). O’Donnel (2002:296), Watson (2008) as well as Lumley, Coetzee, Tladinyane and Ferreira (2011:106-107) are of the opinion that job satisfaction influences organisational commitment, which in turn influences
employees to stay with the business longer, to be more productive, and to engage in behaviours helpful to the organisation. Employees who are satisfied with their jobs are likely to be good ambassadors for the business and show commitment to it (Buitendach and De Witte, 2005:28). In addition, Mosadeghrad, et al. (2008:211), as well as Warsi, Fatima and Sahibzada (2009:402) assert that both job satisfaction and organisational commitment are critical to retain and attract well-qualified personnel. Upadhyay, Singh and Singh (2010:3-4) explain that there are numerous investigations that have been made into the relationship between organisational commitment and job satisfaction. The nature of the causal relationship between job satisfaction and organisational commitment is an issue that has not been resolved. However, previous research on the determinants of organisational commitment has consistently found a significant and positive relationship between the two. (Lok and Crawford, 2001:599; Cullinan, Bline, Farrar and Lowe, 2008:226; Liu and Ramsey 2008:1174; Lumley, et al. 2011).

Other research has not indicated a particular direction as to the cause-effect relationship between organisational commitment and job satisfaction (Elizur and Koslowsky, 2001:594). Mosadeghrad, et al. (2008:211) are of the opinion that the links between organisational commitment and job satisfaction are complex and it is not clear whether satisfaction is a precursor to commitment or whether commitment influences one’s level of satisfaction. Some authors find the reverse, and others find both or neither (Rayton, 2006:139). Based on the argument of Papini (2007:28), who contends that because of the importance of job satisfaction to organisations and its inherent connection to organisational commitment, it is only natural to study them simultaneously, no matter what their causal relationship. Both job satisfaction and organisational commitment will serve as dependent variables in this study.
3.15. CONCLUSION

This chapter introduces the concept of job satisfaction and highlighted different of its antecedents. Furthermore, it seeks to provide an overview of the literature pertaining to job satisfaction antecedents, whereby biographical and organisational factors impacting on it are discussed. In terms of the job satisfaction antecedents and its consequences, various areas are referred and the chapter highlights the importance of job satisfaction to both employees and organisations alike. For the purposes of this study it has become apparent that employees have their own unique factors, which represent job satisfaction; and organisations can leverage these facets to address the challenge of improving productivity and retention of employees.

Organisational commitment has been defined in this chapter, with a variety of different definitions and approaches discussed to understand the concept of it. Based on the multiple constructs identified across the various definitions, organisational commitment is described as a multidimensional concept. Its focus is explored through a discussion on the behaviours and mindsets that relate to it. The development of an employee’s organisational commitment is discussed according to Meyer and Allen’s (1997) three-component model. The behavioural consequences of organisational commitment in the work environment and the effects from the perspective of the individual towards their employing organisation are discussed. The literature review concludes with Meyer and Allen’s (1997) three-component model that indicates the multiple constructs of organisational commitment, its antecedents and consequences. Finally this chapter has provided an overview of the theoretical relationship between the variables job satisfaction and organisational commitment. The objectives of the literature review have been achieved. Chapter 4 discusses the exploratory model for the study.
CHAPTER 4:
FORMULATION OF THE EXPLORATORY MODEL ON EMPLOYEE REWARDS THAT INFLUENCE JOB SATISFACTION AND ORGANISATIONAL COMMITMENT IN HIGHER EDUCATION INSTITUTIONS

4.1. INTRODUCTION

The review of literature has indicated that there are currently no academic models on employee rewards for academic staff at universities of technology in South Africa. Arising from the theoretical model and a review of non-academic models on employee rewards, this chapter proposes an exploratory model that is central to the present study. This employee rewards model (Figure 4.1) comprises three dimensions, five elements and five facets. The exploratory model (Figure 4.1) seeks to assist universities of technology management in dealing with rewards that influence job satisfaction and organisational commitment. The literature review reveals that the quality of higher education depends on various criteria’s, where job satisfaction is among the most essential. As an educational sector is seen to play a significant role in knowledge distribution, development of skills, which influences an increased economy a high quality of staff therefore is required. Highly satisfied academics are expected to deliver better performance in education. Hence job satisfaction of academic staff in higher education institutions is important because it influences their motivation and performance that are most influential in delivering quality education services.

Furthermore, management at modern-day academic institutions requires special endeavours to acquire and retain highly skilled and talented employees to operate effectively in an extremely competitive environment. The level of job satisfaction of these individual employees will impact significantly on performance at these institutions. The exploratory model (Figure 4.1) for employee rewards is central to addressing various universities of technology retention problems with the broader scope of employee rewards. Thus, the purpose of this chapter is to present an exploratory model (Figure 4.1) for employee rewards with selected variables, factors that influence job satisfaction and organisational commitment among academic staff
at universities of technology. The components of the exploratory model (Figure 4.1) formulated is reinforced by previous studies by Strydom (2011:15); Terera and Ngirande (2014:481); Akhtar, Aamir, Khurshid, Abro and Hussain (2015:250); Khalid, Irshad and Mahmood (2012); San, Theen and Heng (2012:211); Sajuyigbe, Olaoye and Adeyemi (2013:27); Badat (2010:26); Mujtaba and Shuaib (2010:113); Kipkebut (2010:116); Kamoche, Nyambegera and Mulinge (2004:235); De Bruyn (2011:29); Ibrahim and Boerhaneoddin (2010:44-45) and Iqbal (2010:17). These studies have indicated that higher education institutions are facing the dilemma of retaining talented academic employees. Higher education institutions are competing for the same highly qualified employees with other universities, and in the private and public sector. These studies furthermore point out to higher education institutions to adopt employee rewards as a compensation mechanism for retaining talented employees.

4.2. CONSTRUCTION OF AN EXPLORATORY MODEL FOR EMPLOYEE REWARDS IN HIGHER EDUCATION INSTITUTIONS (UoTs)

The purpose of the study is to investigate the influence of employee rewards on job satisfaction and organisational commitment among academic staff in selected universities of technology. Each of these variables consist of various components that are illustrated to influence both job satisfaction and organisational commitment, are depicted in Figure 4.1 below. Evidence from previous studies by Strydom (2011:15); Terera and Ngirande (2014:481); Akhtar, Aamir, Khurshid, Abro and Hussain (2015:250); Khalid, Irshad and Mahmood (2012); San, Theen and Heng (2012:211); Sajuyigbe, Olaoye and Adeyemi (2013:27); Badat (2010:26); Mujtaba and Shuaib (2010:113); Kipkebut (2010:116); Kamoche, Nyambegera and Mulinge (2004:235); De Bruyn (2011:29); Ibrahim and Boerhaneoddin (2010:44-45) and Iqbal (2010:17) have testified that there is significant relationship between job satisfaction and organisational commitment. These studies have been conducted in both organisations and in the public sector. However, there is no evidence regarding the relationship between employee rewards, job satisfaction and organisational commitment. The current study therefore intends to explore if there is a relationship between employee rewards, job satisfaction and organisational commitment. The elements of rewards,
compensation, fringe benefits, work-life balance, performance management and recognition as well as talent development and career opportunities mirror the essential attributes and requirements for both job satisfaction and organisational commitment.

In addition, the literature review and various frameworks and models highlighted in the previous chapters have indicated that there is no academic exploratory model for employee rewards in higher education institutions with specific reference to universities of technology (UoTs). In the formulation of the exploratory model (Figure 4.1) for employee rewards in higher education institutions (UoTs), it should be noted that the literature review has indicated that South African academics are inadequately remunerated relative to occupations in the public (state, public enterprises and science councils) sector and private sector that require similar levels of qualifications and expertise (Badat, 2010:26). The remuneration differentials between universities and the public and private sectors are significant and have been widening.

This study therefore develops an exploratory model (Figure 4.1) of employee rewards to address these challenges with specific reference to UoTs. However, Badat (2010:27) speculated that the improvement of rewards systems that attract outstanding highly qualified academic staff and generally facilitate the recruitment and retention of academics through adequate remuneration is vital for the future well-being and contribution of universities. Therefore, the development of exploratory model (Figure 4.1) for employee rewards adds to the existing body of knowledge and provides solutions to challenges faced by academic institutions of attracting and retaining qualified academic staff. An exploratory model (Figure 4.1) for employee rewards in higher education with specific reference to university of technology sector follows.
4.3. THE SIGNIFICANCE OF AN EXPLORATORY MODEL FOR EMPLOYEE REWARDS IN HIGHER EDUCATION INSTITUTIONS

Within the South African higher education landscape the development of universities of technology is regarded as one of the most important stages to build the country’s economy (Jansen, McLellan and Greene, 2008:116). Badat (2010:22) affirms that the greatest challenges faced by UoTs is attracting and retaining suitable, talented employees to meet their new envisaged role in the higher education sector. According to Makhuzeni and Barkhuizen (2015:1), retention of talented academic staff is a major problem in South Africa. South African academics are inadequately remunerated relative to occupations in the public (state, public enterprises and science councils) and private sector that require similar levels of qualifications and expertise. The remuneration differentials between universities and the public and private sectors are significant and have been widening (Badat, 2010:26). The available research by
Correa, Parry and Reyes (2015); Qureshi (2015); Smith, Conley and You (2015) point out that academic staff are poorly compensated and underpaid. However, Akthar, Aamir, Khurshid, Abro and Hussain (2015:251) posit that one strategy that has been adopted in recent times by organisations is that of employee rewards. The principal aim of these is to maximise the combined effect of wide range of rewards elements to satisfy, retain and embrace the value of employees in an employment relationship (Obicci, 2015:48). Furthermore, the provision of total rewards to employees assists to attract and retain the best and ensure that universities stay in top positions for future success (Obicci, 2015:48). Rothstein’s (2015) study revealed that tenure of academic staff can only be accomplished by a large increase in salaries.

Turinawe (2011:9) proposed that existence of a proper and effective reward system in these higher education institutions would lead to job satisfaction, organisational commitment and enhanced employee performance. Moreover, when employees are satisfied with their jobs it builds organisational commitment. When employees exhibit job satisfaction they will improve their performance and enable commitment to the organization (Turinawe, 2011:10). The present study identifies the significant necessity for universities of technology to revisit their reward system and develop one that is capable of influencing job satisfaction while ensuring organisational commitment. Mutjaba and Shuaib (2010:113) assert that for academic institutions to attract, retain and satisfy their talented employees, these institutions needs to have appropriate pay systems that encourage and reward employees to remain longer with their institutions. Therefore, arising from the literature review and problems investigated in the current study an exploratory model of employee rewards is developed to address these challenges within the higher education sector with specific reference to UoTs.
4.4. PROCEDURES FOR DEVELOPMENT OF AN EXPLORATORY MODEL ON EMPLOYEE REWARDS FOR HIGHER EDUCATION INSTITUTIONS (UoTs)

The exploratory model (Figure 4.1) for employee rewards of this study presented here is an integration of the concepts relevant to the problem domain, key conceptual issues, criticisms, and issues of integration that were identified over the course of the literature review. The exploratory model (Figure 4.1) attempts to focus on particular areas when integrating each of the concepts mentioned above into an organised manner. It employs the frame of reference that defines the concepts and constructs for this research study, as given below. Milne (2007:27) asserts that rewards with their aftermath relationship were expected to be established on satisfaction of the employee with the organisation.

Sohail and Delin (2013:128) concur that an employee who has worked honestly for the improvement of an institution expects some rewards from it. These can be in the form of promotion, cash and any other type of reward which can increase the efficiency of employees and influence his/her job satisfaction. Some rewards are paid on the sincerity base and some on the base of ability. Job satisfaction has strong relation with job rewards (Danish and Usman, 2010), which can increase and decrease the satisfaction of employees. An exploratory model is described as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Reichel and Ramey, 1987). Goetz and Le Compte (1984) state that an exploratory model increasingly strengthens and keeps the research study on track. Moreover, the ability to understand these variables (employee rewards, job satisfaction and organisational commitment) will aid remuneration specialists to address the problem. The exploratory model (Figure 4.1) of the study includes main constructs, employee rewards, job satisfaction and organisational commitment. The researcher aims to test exploratory model (Figure 4.1) by hypotheses.
Employee rewards play a significant role in underpinning numerous human resources issues in higher education institutions. Employee satisfaction and organisational commitment are key issues that affect higher education institutions (Obbici, 2015:47). In response to the emerging environmental pressure, competition for highly qualified academic staff, higher education institutions should transform their structures and rethink their reward strategies to better align them with realities in order to enhance teaching, research and employee retention (Bayissa and Zewdie, 2010:13). The exploratory model (Figure 4.1) for employee rewards in higher education institutions seeks to address these challenges of job satisfaction and organisational commitment with reference to universities of technology.

4.5.1. Dimension one: Total rewards elements that influence job satisfaction and organisational commitment

Dimension 1 of the Exploratory Model for employee rewards in higher education institutions (UoTs) depicted in Figure 4.1 is the core elements of the study since it address the elements of total rewards. Due to competition for scarce skills, the attraction and retention of highly qualified academic employees has emerged as the biggest challenge in human capital management in higher education institutions (Terera and Ngirande, 2014:481). The retention of highly skilled employees is now the major concern for many South African public higher education institutions. To attract, retain and be profitable, organisations need novel reward systems that satisfy employees (Terera and Ngirande, 2014:481). De Bruyn (2011:32) attests that when academics in higher education institutions are remunerated properly, this tends to benefit the individual as well as the institution. The benefit for the academic is the ideal lifestyle he or she is able to sustain, whereas the benefit for the institution is the retention of competent employees. The solution therefore is in an effective reward system (De Bruyn, 2011:32). Moreover, De Bruyn (2011:33) posits that remuneration should be linked to one of the strategic objectives of the academic institution.
researched in this study, namely, to "ensure institutional efficiency and effectiveness". Dimension 1 also presented elements of total rewards that are capable of attracting, retaining employees in the organisation, namely, compensation, benefits, work-life balance, performance management and recognition as well as talent development and career opportunities. Furthermore, elements of the exploratory model (Figure 4.1) highlight that if these elements of rewards can be implemented in universities of technology, job satisfaction and retention problems can be rectified.

4.5.2. Dimension Two: Job satisfaction and factors that influence organisational commitment

Dimension 2 of the Exploratory Model for employee rewards in higher education institutions (UoTs), as illustrated in Figure 4.1, is regarded as an important construct in the study, since it influences academic staff to remain in the institution. Dimension 2 identifies factors that affects job satisfaction, namely: pay and fringe benefits; workload and work itself; recognition; work-life balance and promotion. The current study identifies several antecedents of job satisfaction based on the work done in past research, which have influenced employees in the higher education institutions. This research on academics in a higher education setting reveals that government, university policies and management support to be a pertinent antecedent of job satisfaction of academics, which have been found to affect it (Noor, 2013:46). Various scholars such as Masum, Azad and Beh (2015:1) has warned the management of higher education institutions to focus their effort on these areas of human resource management for maintaining academics’ job satisfaction and employee retention. Additionally, Mustapha and Zakaria (2013:25) speculated that all organisations, especially higher education sectors, should consider job satisfaction factors on their human resources strategies since it influences, attracts and retains highly qualified academic staff. Reward systems, moreover, can be used as a mechanism to enhance satisfaction and retain their best talents.
4.5.3. Dimension three: Organisational commitment

Dimension 3 of the Exploratory Model for employee rewards in higher education institutions (UoTs) shown in Figure 4.1 is linked with job satisfaction. Salim, Kamarudin and Kadir (2010:4) affirm that committed human resources are the organisation’s greatest assets. In order to ensure excellent and experienced academic staff are attached to educational institutions, a committed employee should receive superior attention. When such a lecturer quits, the institution will be burdened with the high cost of the loss, which has implications for the education system. A committed and quality lecturer will take with him/her valuable teaching skills and experience (Salim, Kamarudin and Kadir, 2010:4). Dimension 3 of the Exploratory Model as shown in Figure 4.1 enlightens the organisational commitment among academics, influenced by employee rewards and job satisfaction. According to Masemola (2011:16), if employees are not committed to their organisations they can under-perform and may lead to increased absenteeism and eventual turnover. This again indicates that the institution needs to do something to improve commitment of employees (Masemola, 2011:16). However, employees do not automatically come to work, continue to work or work hard for an organisation. Employees need satisfaction and commitment to share and fulfil organisational objectives (Obicci, 2015:47). The provision of total rewards is the mechanism for this to happen. Wasiu and Adelajo (2014:25) speculated that the importance of employee rewards cannot be over emphasised.

A well rewarded employee feels that he/she is being valued by the organisation and thus remains with the organisation for a longer period. Obicci (2015:47) attests that since employees are the engines of the organisation’s vehicle, total rewards is the fuel for which an organisation’s objectives can be achieved while both organisational commitment and job satisfaction is also achieved. In this regard, the provision of total rewards to employees assist to attract and retain highly qualified talent and ensure that the organisation stays in the best position for future success (Obicci, 2015:48). Organisational commitment has a sense of identification (confidence in organisational goals), involvement (willingness to try one’s best in interest of organisation) and loyalty (desire to remain a member in the organisation). It is an attachment to a particular
organisation, which is reflected in the relative strength of the employee identification and involvement with the organisation (Obicci, 2014:49). The elements of employee rewards, antecedents of job satisfaction and organisational commitment are significant constructs in the Exploratory Model mentioned (Figure 4.1). Elements of total rewards that influence job satisfaction in higher education institutions are discussed in the next section.

4.6. DESCRIPTIVE OVERVIEW OF THE ELEMENTS OF TOTAL REWARDS

The literature review, Figure 4.1 combines key elements of rewards that influence job satisfaction., and link elements, which are strong predictors of job satisfaction and organisational commitment for academic staff (Boswell, Cook, Horner, Payne and Shaub, 2011:5). World at Work (2015:1) recommended a total rewards model with six essential elements, which are discussed in detail below. World at Work (2015:1) asserts that these elements of total rewards collectively define an organisation’s strategy to attract, motivate, retain and engage employees. A descriptive element is shown under Dimension 1 in Figure 4.1 and include the following:

4.6.1. Compensation as element of total rewards

Pay provided by an employer to its employees for services rendered (i.e. time, effort, skill). This includes both fixed and variable pay tied to performance levels (World at Work, 2015:1). Swanepoel, et al. (2014:614) define compensation as financial and non-financial extrinsic rewards provided by an employer for the time, skills and efforts made available by the employee in fulfilling job requirements aimed at achieving organisational objectives. According to Absar, Azim, Balasundaram and Akhter (2010:1), employee compensation is one of the major functions of human resources management. Compensation is important for both employers and employees in terms of attracting, retaining and motivating employees. Ray and Ray (2011:25) regarded compensation as important for employees since it is one of the main reasons people work. Compensation includes claims on goods and services paid to an employee in
the form of money or a form that is quickly and easily exchangeable into money at the
discretion of the employee (Nel, et al., 2011:231). Compensation or total
compensation is “the total of all rewards provided to employees in return for their
services” (Phonsanam, 2010:6).

4.6.2. Fringe Benefits as element of total rewards

World at Work (2015:1) states that benefits include packages an employer practices
to supplement the cash compensation that employees receive. It comprises health,
income protection, savings and retirement programmes that provide security for
employees and their families. A specific set of organisational practices, policies and
programmes, plus a philosophy that actively supports efforts to help employees
achieve success at both work and home. Fringe benefits include any variety of
programmes that provide paid time off, employee services and protection
programmes. According to Bratton and Gold (2007:291), fringe benefits refer to the
part of the rewards package provided to an employee in addition to the guaranteed
basic remuneration. An employee remuneration package includes guaranteed
employment benefits such as retirement benefits, medical aid benefits, life and
disability insurance, housing benefits, car allowance or cell phone allowance
(Dulebohn, Molloy, Pichler and Murray, 2009:87). Martocchio (2013:6) elaborates that
fringe benefits can also include prerequisite perks such as relocation payments,
flexible start dates, sign-on bonuses, use of company-owned property, health club
membership, tuition reimbursement, financial planning and clothing allowances.

4.6.3. Work-life balance as element of total rewards

A specific set of organisational practices, policies and programmes, plus a philosophy
that actively supports efforts to help employees achieve success at both work and
home. This factor includes the extent to which a specific job is interesting and
challenging to an individual, the degree to which the job provides the opportunity for
an individual to keep abreast of new things (World at Work, 2015:1). According to
Mukthar (2012:12), integrating and maintaining work-life balance into our lives is the current need. Rumpel and Medcof (2006:29) attest that usually the balance time spent at work and home is included in the work environment. Flexible working is one of the most important aspect for a balanced life (Hodor, 2014:318).

4.6.4. Performance and Recognition as element of total rewards

Performance refers to the alignment of organisational, team and individual efforts toward the achievement of business goals and organisational success. It includes establishing expectations, skill demonstration, assessment, feedback and continuous improvement (Hatice, 2012:29). World at Work (2015:1) state that recognition refers to acknowledgement or gives special attention to employee actions, efforts, behaviour or performance. It meets an intrinsic psychological need for appreciation of one’s efforts and can support business strategy by reinforcing certain behaviours like extraordinary accomplishments that contribute to organisational success. Whether formal or informal, recognition programmes acknowledge employee contributions immediately after the fact, usually without predetermined goals or performance levels that the employee is expected to achieve. Awards can be cash or noncash, for example, verbal recognition, trophies, certificates, plaques, dinners and vacation tickets (Hondor, 2014:130).

4.6.5. Talent Development and Career opportunities as element of total rewards

Development is a set of learning experiences designed to enhance employees’ applied skills and competencies. It engages employees to perform better and engages leaders to advance their organisations’ people strategies (Hondor, 2014:130). World at Work (2015:1) state that career opportunities involves the plan for employees to advance their career goals, Which may include advancement into a more responsible position in an organisation. The company supports career opportunities internally, so that talented employees are deployed in positions that enable them to deliver their greatest value to the organisation.
4.7. FACTORS THAT INFLUENCE JOB SATISFACTION IN HIGHER EDUCATION INSTITUTIONS

Employee job satisfaction has remained a remarkable area in the field of human resources management, psychology and organisational. It is necessary for management to look into the welfare and well-being of their employees. A happy employee is regarded as a more efficient and more productive employee. Employees join organisations with certain motives like job security, better prospects in future and satisfaction of both social and psychological needs. Mustapha (2013:213) attests that job satisfaction of lecturers should be seriously considered by all higher education institutions in order to improve the quality of education, thus producing outstanding graduates. Lecturers who are always stressful and dissatisfied with their work will affect the performance and quality of work (Mustapha, 2013:213). Werner (2007:334) noted that job satisfaction is the most widely research area of work-related attitudes. It is a personal appraisal of the job and a psychological experience at work. It is a measure of the general attitude to work of a specific individual rather than a group of workers. Onukwube (2012:43) states that job satisfaction is a sense of well-being, good feeling and positive mental state that emerge in an incumbent when obtained reward consequent upon his performance is congruent to equitable rewards. Factors such as working conditions, below competitive salary, lack of promotional opportunities and lack of recognition are some of the contributing factors to employee dissatisfaction. The facets of job satisfaction in the exploratory model (Figure 4.1) are explained in the next section.

4.7.1. The influence of compensation on job satisfaction

Qasim, Cheema and Syed (2012:34) concur that monetary rewards play a major role in determining job satisfaction. Pay is one of the fundamental components since it has a powerful effect in determining job satisfaction. The growing needs of people with high living costs force workers to seek higher income that can guarantee their future and life satisfaction. Moreover, if individuals believe they are not compensated well, a state of emotional dissatisfaction is be developed. These emotional discrepancies
grow and accumulate over time and thus make employees unhappy and dissatisfied working for the organisation. Greenberg and Baron (2008:233) indicated that a perceived low salary leads to job dissatisfaction and a major contributor to employee turnover. Khan, Khan, Kundi, Khan, Nawaz, Khan and Yar (2014:122) posit that academic staff commitment can be enhanced and their degree of satisfaction could be improved by identifying the influencing compensation.

Mangi, Soomro, Ghumro, Abidi and Jalbani (2011:90) reveal that compensation has an optimistic relationship with commitment and job satisfaction. However, compensation is the major forecaster of job satisfaction. It is the amount of monetary compensation that is expected by workers in relationship with the services provided to the institutions (Saifuddin, Nawaz and Jan, 2012:45). The study conducted by Noordin and Jusoff (2009), and Mustapha (2013) reported that salary has a significant effect on lecturers’ level of job satisfaction, which is also aligned by Yang, Miao, Zhu, Sun, Lie and Woo (2008) who stated that salary increase significantly improved the job satisfaction for Chinese junior military officers. Nawab and Bhatti (2011:30) showed that remuneration has an influence on employee job satisfaction; their study revealed that remuneration has a significant influence among academic employees. The study conducted by Mafini (2014) discloses that there is a moderate and positive relationship between pay / remuneration and job satisfaction.

Furthermore, the study by Strydom (2011) discovered that remuneration plays a major role in job satisfaction and dissatisfaction of faculty members in higher education institutions. Ismail’s (2012) findings concur that remuneration is considered one of the complex and multidimensional factors of job satisfaction in these institutions. However, Sohail and Delin (2013:129) disclose that remuneration has a moderate relationship with job satisfaction among academics. These views are also reinforced by Hinai and Bajracharya (2014:21) who further stated that remuneration helps and supports individuals to meet the basic needs through pay and salary, as explained in Maslow’s law. Moreover, remuneration is considered to be one of the most extrinsic factors (hygiene) as per Herzberg theory, which leads to dissatisfaction if absent and does not achieve the satisfaction of academic staff in higher education institutions when it
exists. Shoaib, Noor, Tirmizi and Bashir (2009) state that attractive remuneration packages are one of the most important factors that affect job satisfaction.

4.7.2. The influence of fringe benefits on job satisfaction

Bender, Donohue and Heywood (2004) reported positive significant estimates for variables such as paid vacation and sick pay but no significance for any of the remaining benefits: child care, pension, profit sharing, employer provided training/education and health insurance. Uppal (2005:345) uses a measure comprising the number of fringe benefits employees receive and finds that this is positively related to job satisfaction. Conversely, Benz (2005:157) includes most of the fringe benefits in his study of employees of non-profit organisations, and finds only two out of nine fringe benefits are positive and significantly related to job satisfaction, and that one is negative and significant. In addition, the study by Artz (2010:626) reveals that fringe benefits have a significant and positive relationship with job satisfaction. Furthermore, Artz’s (2010:630) study reveals that fringe benefits make up a significant portion of employer compensation packages, but their impact on worker job satisfaction is given much attention. Artz (2010:630) attests that fringe benefits can affect job satisfaction in opposing ways. First of all, since fringe benefits are generally less taxed than wages, they can be purchased at less cost through an employer than if bought on the market. Second, fringe benefits are often desirable pieces of compensation packages and so increase job satisfaction. It is evident that compensation and fringe benefits have a significant relationship from an organisational level, although the literature is unclear on higher education institutions. The current study, therefore, seeks to fill that gap.

4.7.3. The influence of work-life balance on job satisfaction

According to Mukthar (2012:12), integrating and maintaining work-life balance into our lives is the current need. Furthermore, Mukthar (2012:71) reveals that there is a significant relationship between work life balance and job satisfaction among
academic staff. However, McNall, Masuda and Nicklin (2010) conducted a study to analyse the relationship between flexible work arrangement and job satisfaction, which indicated that greater flexible work arrangements provided would result in a satisfied employee. These results mirrored the study of Saif, Malik and Awan (2011) who reveal that there is a positive relationship between work-life balance and job satisfaction, while Azmi and Sharma’s (2012:35) study show a direct, significant and positive influence on academic staff’s job satisfaction.

Fatima and Sahibzada (2012) conducted a study on work-life balance in universities; and concluded that due to heavy workload and long hours staff becomes dissatisfied. Fatima and Sahibzada (2012) endorse that universities should develop strategies that could facilitate universities’ need to balance between work and life activities to achieve a competitive advantage. However, Shujat, Cheema and Bhutto (2011:11) revealed that there is a significant relationship between long hours and job satisfaction. Furthermore, Saeed and Farooqi’s (2014:13) study indicated a positive correlation between work-life balance and job satisfaction. They suggest that a high level of work-life balance is associated with high job satisfaction among academic staff in higher education institutions. Yadav and Dabhade’s study (2014:194) divulge that there is a positive correlation of work-life balance and job satisfaction among bank employees, adding that the banking industry has a consistent work-life balance exactly like higher education institutions. Work-life balance is an important determinant and intrinsic aspect of job satisfaction. If employees are given freedom to choose their own work-schedules, quality and productivity increase. If this opportunity is given to the employee it will also bring the responsibility for finishing work within the specified deadline (Yadav and Dabhade; 2014:198).

4.7.4. The influence of recognition on job satisfaction

Ng’ethe, et al.(2012:210) agree that employee job satisfaction level is increased if they feel that their capabilities, efforts and performance contributions are recognised and appreciated by others and their sense of accomplishment have been met. Employees want and feel the need to know how well they are doing. Praise is an important type
of feedback that helps motivate employees and provides job satisfaction (Certo, 2010:308). The study of Bakar, Mohamad and Sharmeela-Banu (2015:142) show that recognition significantly affect lecturers’ job satisfaction in higher education institution in Perak. Their findings were consistent with the past empirical study conducted by Langbein and Stazyk (2013:473), which discovered that recognition tends to increase employee satisfaction and the retention rate of an organisation.

Rehman, Mahmood, Salleh and Amin’s (2013:843) study indicate that there is positive correlation between job satisfaction and recognition among academic staff. Bentley, Coates, Dobson, Goedegebuure and Lynn Meek’s (2013:14) research shows that recognition has significant associations with job satisfaction. Given that academics in such positions have received substantial recognition from their peers, the insignificance of this variable was surprising. It may be that leadership and committee responsibilities are relatively unimportant for academics, compared with the core duties of teaching and research. According to Schulze (2009:333), to improve the job satisfaction of academics, conscious efforts are needed to give recognition to lecturers for work done well. In this regard, heads of departments play an important role. If academics experience job satisfaction, they will generally be inspired to create environments conducive to learning. Recognition and positive feedback by superiors have been identified as important to educational professionals (Pinder, 2008:174). Recognition brings about a sense of fulfilment and self-actualisation, and is the driving force that propels individuals to greater performance (Mafora and Schulze, 2012:236). However, if employees' work is overlooked or criticised it would have the opposite effect. The lack of recognition would not lead to job dissatisfaction, but employees would not be motivated (Smerek and Peterson, 2007:231).
4.7.5. The influence of performance management on job satisfaction

Akyol (2014:21) states that employee satisfaction levels of academic staff have been affected by various factors, and significantly presents its effect. However, other matters related to employee satisfaction is the relation between their satisfaction levels and employee performances. Consequently, literature on this subject has been scanned, and hypotheses have been constituted accordingly. According to Gupta and Upadhyay (2012:101), a significant and effective impact has been made on management systems on employee satisfaction and commitment. Toker’s (2011:166) study indicated that job satisfaction is an important matter that needs to be researched further in academic work life since it is related to performance, productivity, absenteeism, and turnover. At the same time, academic job satisfaction studies can help university management and teachers to develop the quality of education. Toker (2011:165) reveals a positive correlation between job satisfaction among academic staff in Turkey. Furthermore, he proposes that results from this study can help academics and university management to increase the satisfaction level, the results of which can guide university management to understand the demands of the academic staff in terms of job satisfaction, and its intrinsic and extrinsic factors. Shin and Jung’s (2014:612) findings reveal that job satisfaction is strong predictor of performance among academic staff. The study of job satisfaction and performance of government employees in UAE by Ibrahim Mohamed, Head, Al Sejini Sabri, Al Qassimi Omaima Abdul Aziz (2004:10) discovered that self-rated performance, position and nationality were significant factors affecting some job satisfaction facets (i.e., pay and benefits, professional development, and work environment). Employees would demonstrate pleasurable positive attitudes when they were satisfied with their job (Jain, Jabeen, Mishra and Gupta, 2007:204).

Thus, high job satisfaction of employees increases the productivity of an organisation, which in turn increases the organisational overall performance. The importance of academic staff job satisfaction can be observed from different perspectives. Machado-Taylor, Soares, Ferreira and Gouveia (2011) explained the importance of satisfaction and motivation of faculty members in terms of their contribution to the HEI and society.
Their performance influences the student learning process and determines the level of student satisfaction. The quality of the academic institution can be improved through the enhanced performance of faculty members (Comm and Mathaisel, 2003:205). Job related dissatisfactions and in extreme cases job related frustrations might lead to the faculty member to be less productive in their job and less dedicated towards the institution (Ahsan, Abdullah, Fie and Alam, 2009:132). In order to overcome such negative consequences, the reasons and factors that influence academic staff job satisfaction have to be considered in the first place. The study of Akyol (2014:26) reveals that there is a relation between job satisfaction and performance. This implies that if a performance appraisal is conducted in an efficient manner, employees will be satisfied with their jobs since their performance is recognised and appraised.

4.7.6. The influence of talent development and career opportunities on job satisfaction

Noor, Khan and Naseem’s (2015:1502) study revealed that job promotion has a positive effect on job satisfaction and job advancement. Job promotion and job advancement has been found to be positively related with job satisfaction and is significant. However, Malik, Danish and Munir’s (2012:7) research argues that promotion has less explanatory power because beta coefficient of this variable is not significant. That is why it is directly related to job satisfaction but the impact of it is not significant. Malik, Danish and Munir (2012:7) discover that promotion has low explanatory power in explaining the job satisfaction of an educationalist. It means that other factors like job security, work environment, fringe benefits and super-vision also influence job satisfaction.

However, Vuong and Duong’s (2013:14) study revealed that the majority of academic staff were satisfied with promotional opportunities at their university. The academic staff had the highest satisfied rate of promotion opportunities provided by the university. These findings mirrored the results of the studies by Castillo and Cano (2004), Eyupoglu and Sanner (2009), Malik (2011), Mehboob, Sarwar and Bhutto (2012), Noordin and Jusoff (2009), and Syed, Bhatti, Michael and Shaikh and Shah
Kosteas's (2006) study reveals that promotion forms part of job satisfaction. Results show that a promotion in the previous two years improved the possibility of job satisfaction. Management may be able to exercise promotions as a new technique to increase satisfaction. Greenberg and Baron (2003:155) attest that promotion opportunities influence job satisfaction in different ways. Employees were promoted based on their work experience and were less satisfied with their jobs than employees who are promoted on the basis of their work results. Luthans (2008:143) claims that promotion has different impacts on job satisfaction because there are many types with varying rewards, for example, a promotion that comes with a 10% increase is not as satisfying as a promotion that comes with a 20% increase. Moreover, development is a very important tool for job satisfaction since it tends to motivate employees to be committed to the organisation. As for Luthans (2005:212), fair upgrading policies and practices provide chances for personal development, and more tasks increase social conditions. When a person get fair upgrading, which is usually his true evaluation, he gets a type of acknowledgement and hence job satisfaction.

4.7.7. The influence of workload on job satisfaction

Workload can be defined as any extra activities that are additional work to the core assigned duties of an employee, which also affects his/her performance and job satisfaction (Sohail and Delin, 2013:127). The study by Al-Hinai (2013:76) reveals that extra activities given to academics other than their core duties is considered as workload. The core duties of an academic usually involve teaching, assignment marking, exam preparation and research activities, although loading other activities will directly affect their performance and, therefore, job satisfaction. Academic staff indicated that they were not satisfied with the time spent on administration work (Al-Hinai, 2013:76). Sohail and Delin (2013:129) show a correlation between job satisfaction and workload.

Al-Hinai and Bajracharya (2014:19) found that workload is most strongly associated with job satisfaction among academic staff. Furthermore, if academic staff are given their own academic job of their interest, it seems that it would help enhance their job
satisfaction. Mburu, Gathia and Kwasira’s (2014:13) study found that there is a significant positive relationship between workload and job satisfaction among academic staff in higher education institutions. Furthermore, their study reveals that academic staff are satisfied with their workload and indicated that it is challenging yet achievable. Basak (2014:505) shows that workload is a strong predictor of job satisfaction among academic staff in higher education institutions. Masum, Azad and Beh (2015:9) show that healthy working conditions is observed as a significant factor related to job satisfaction among academic staff. These results support the findings of Joarder and Sharif (2011); Ashraf and Joarder (2010) who stated that healthy working conditions increase job satisfaction while reducing job stress among academic employees.

Makondo (2014:176) revealed that workload for academic staff have a significant relationship with job satisfaction, and workload is the strong predictor for employee retention among academic staff. Armstrong (2009:341) concurs that work itself can create job satisfaction leading to intrinsic motivation and increased engagement. The factors involved are interesting and challenging work, responsibility (feeling that the work is important and one has control over one’s own resources), autonomy (freedom to act), scope to use and develop skills and abilities, the availability of the resources required to carry out the work, and opportunities for advancement. Kinicki and Kreitner (2008:150) reason that job design is the factor that improves the quality of the employee’s job experience and job performance.

4.8. RELATIONSHIP BETWEEN JOB SATISFACTION AND EMPLOYEE REWARDS

Shoaib, et al. study in 2009 reveals that attractive and competitive remuneration packages are still ranked as one of the most important factors that affect job satisfaction because it fulfils financial and material desires. Salary, retirement benefits and job security have been shown to be important personal issues that affect the satisfaction of faculty members in college and universities. Rosser’s study in 2004
reveals that although much of the overall research on faculty members suggests that salary is the most important aspect in work life and job satisfaction. Salary is one of the primary reasons why faculty members leave their institutions. According to Tettrey’s study in 2006, dissatisfaction with salaries is one of the key factors undermining the satisfaction and commitment of the academics towards their institutions and careers and is the factor that causes them to stay in their jobs.

Munap, Badrillah and Rahman’s (2013) study also found that all organisational rewards they examined have contributed to employees’ satisfaction while salary is the predictor that significantly contributes to job satisfaction among employees. Organisational rewards have a positive relationship with job satisfaction. Employees believe that their attachment to the organisation will provide meaningful rewards that satisfy their needs. Most of the employees trust that each of their job accomplishments would be rewarded and effort would be continued for better rewards (Munap, et al., 2013:287). Rehman, et al. (2010) also show that there is a positive relationship between rewards and job satisfaction. The study conducted in the service industry found that rewards are stronger determinant of job satisfaction.

Ghafoor’s (2014:163) findings are consistent with the literature and suggest that there is a moderate, positive correlation between pay and job satisfaction. Pay is treated as an intrinsic hygiene factor of job satisfaction in Herzberg’s model. As far as designations of academic staff were concerned, professors were more satisfied than lecturers with pay, due to receiving pecuniary and non-pecuniary benefits. Hamman-Fisher (2008:187) reveals that there are statistically significant relationships between pay and job satisfaction, benefits and job satisfaction, contingent rewards and job satisfaction, nature of work and job satisfaction, and for promotion and job satisfaction. The moderate to high correlations between these dimensions and job satisfaction suggest that the higher their relationship with job satisfaction, the more satisfied employees would be.
Several studies have reported a positive relationship between compensation and job satisfaction (Robbins, et al., 2003:77; Aamodt, 2004:323; Fincham and Rhodes, 2005:218; Bargrain, et al., 2007:337). Bowon and Heungshik (2002:52) report a significant positive correlation between compensation and job satisfaction, and conclude that the participants participating in their study regarded compensation as one of the main contributors to their job satisfaction. Sharp (2008:377) finds that despite the high proportion of participants who reported that they were very dissatisfied with their compensation, a low correlation was found between compensation and job satisfaction. He suggests that a follow-up research examining this finding should be carried out. Letele-Matabooe (2012) reveals that to receive a competitive remuneration is more likely to provide job satisfaction. Sharma and Kumar (2001:772) as well as Theodossiou and Vasileiou (2007:72) report positive relationships between employees who feel secure in their jobs and their level of job satisfaction. In addition, evidence exists suggesting that lower levels of compensation lead to lower levels of satisfaction among employees. Similar results have been reported in the present study by Letele-Matabooe (2012) that job security and compensation has been found to have a significant influence on job satisfaction.

Despite evidence (Aamodt, 2004:328; Fincham and Rhodes, 2005; Sirin, 2009) employees feel satisfied with their jobs when promotional opportunities are given to them. Ecbebiri (2013) reveals that there is a positive relationship between income and job satisfaction. Rafiq, Javed, Khan and Ahmed (2012:343) reveal a positive and significant relationship between rewards and job satisfaction. Their results shows that job satisfaction increased when an organisation gives more extrinsic rewards as compared to intrinsic rewards, while Sarwar and Abugree (2013:28) show that there is a significant relationship between higher rewards and higher job satisfaction among employees. Their study reveals that the majority of employees were not satisfied with their compensation / rewards as compared to other employees in similar jobs in other organisations. Job satisfaction is influenced by rewards. Oriarewo, Agbim and Owutuamor’s (2013:66) research reveals that there is a positive significant relationship between job satisfaction and rewards, which is also in line with Rehman, et al. (2010), which shows that job satisfaction is positively and significantly related to rewards.
4.9. THE INFLUENCE OF JOB SATISFACTION ON ORGANISATIONAL COMMITMENT IN HIGHER EDUCATION INSTITUTIONS

For an organisation such as a higher education institution to achieve their strategic objectives they need a committed and motivated workforce (Ghazanfar, Chuanmin, Siddique and Bashir, 2012:502). This statement is mirrored by Salim, Kamarudin and Kadir (2010) who affirm that committed human resources are an organisation’s greatest assets. In order to ensure excellent and experienced academic staff always attached with the educational institutions. A committed employee should receive superior attention. Moreover, when a committed lecturer quits, the college will be burden with high cost and implications for the education system. A committed and quality lecturer will take with them their teaching skills and experience. Job satisfaction can be a major determinant of organisational commitment, performance and effectiveness. When employees are dissatisfied within their job situation they will exhibit a low level of commitment towards their organisation. This dissatisfaction could lead to employees looking at other issues within the organisation in order to justify them leaving their jobs. In some cases, employees can become emotionally withdrawn from their organisation as a result of dissatisfaction caused by factors such as the unavailability of growth opportunities within the organisation (Lok and Crawford, 2004:321).

Issues related to job satisfaction and organisational commitment among employees within different organisations have been studied extensively Although the literature is silent and there are relatively few studies that deal with higher education institutions (Oshagbemi and Hickson, 2003; Volkwein and Zhou, 2003; Brown and Sargent, 2007; Strydom, 2011; Ghafoor, 2014; Mafini, 2014; Ntisa, 2015). Less evidence is available related to job satisfaction and organisational commitment in higher education in South Africa. The current study initiates an attempt to address this issue. This means that most of the literature review on the linkages are between job satisfaction and organisational commitment.
Conversely, a number of previous researchers have reported mixed findings on the relationship between job satisfaction and organisational commitment. For instance, Curry, Wakefield, Price and Mueller (1986) found no significant relationship between job satisfaction and organisational commitment. However, other researchers (Busch, Fallan and Pettersen, 1998; Chiu-Yueh, 2000; Feinstein and Vondraek, 2006 and Freund, 2005) found that job satisfaction was a significant predictor of organisational commitment. Some researchers argue that job satisfaction reflects immediate affective reactions to the job while commitment to the organisation develops more slowly after the individual forms more comprehensive valuations of the employing organisation, its values, and expectations and one’s own future in it. A strong correlation between job satisfaction and organisational commitment has been established empirically with positive results (Kotze and Roodt, 2005:50).

The study of Malik, Nawab, Naeem and Danish (2010:21) reveals that job satisfaction is correlated with organisational commitment among university teachers. Therefore, it is seen as one of the determinants of organisational commitment (Mannheim, Baruch and Tal, 1997), and is thus expected that highly satisfied workers will be more committed to the organisation. Their study further demonstrated that satisfaction of university teachers with the nature of their work, salary and quality of the supervision explained about 10 percent variance in their university commitment. The explanatory variables such as satisfaction with work-itself, pay and supervision were found to be significant, indicating a positive impact on organisational commitment of the faculty members employed in public sector universities of Pakistan. The study of Al-Hussami (2009:36) in the nursing sector, concluded that employees would be more productive within their organisations if they feel greater levels of commitment towards their organisations. It is thus evident from the above-mentioned literature extracts, that job satisfaction influences organisational commitment, which in turn can affect overall employee productivity and ultimately the ability of an organisation to reach its goals.

According to the study by Petersen (2012:65), there is a significantly strong positive relationship between affective commitment and intrinsic and extrinsic job satisfaction. The findings of Malik, et al. (2010) mirrored the findings of Ahmad, Shafique, Ahmed,
Saleem and Imam (2015:29), which also finds that job satisfaction has a direct positive significant effect on organisational commitment among academic lecturers. Conversely, Ntisa (2015:121) reveals a positive medium correlation with organisational commitment. This implies that if academics are satisfied with their jobs their level of commitment to the organisation is positive. Since there is statistically a relationship between job satisfaction and organisational commitment, the impression is that if employees' level of satisfaction improves then levels of organisational commitment will be affected in a positive manner (Azeem, 2010:297). Khan, Razi, Ali and Asghar (2011:278) indicated that job satisfaction is significantly associated with organisational commitment (at 99% confidence level) and may predict organisation commitment depending upon work motivation and job satisfaction of employees.

The study by Sampson (2012:117) indicated that there were significant positive correlations between job satisfaction and organisational commitment with the correlation being significant at the 99% confidence level. The study of Warsi, Fatima and Sahibzada (2009:405) revealed that there are positive and significant relationships between job satisfaction and organisational commitment. The correlation of job satisfaction is found to be strongly and positively associated with organisational commitments. However, the job satisfaction is more strongly associated with organisational commitment as compared to work motivation. This means that if the work motivation and job satisfaction is increasing the organisational commitment may also increase.

The study by Thabane (2016:54) in higher education institution reported that job satisfaction was positively correlated with all four factors of organisational commitment as the correlations were significant at p< 0.01. On the relationship between job satisfaction and factor one, i.e. moral imperative, there seems to be a moderate, but significant association among the variables. Similarly, there was a significant moderate relationship between job satisfaction and the affective commitment factor (factor four). This supports the assertion by Gellatly, Meyer, and Luchak (2006:342) who stated that when employees feel a strong sense of affective commitment, obligations might be experienced as a moral imperative. In this case, employees may be inclined to do whatever it takes to achieve organisational objectives even if it is not required by the terms of the commitment. This type of commitment is associated with positive beliefs
(e.g. inherent goodness; meaningfulness) and affect (e.g. optimism, inspiration) with regard to the target and behavioural implications of the commitment (Meyer and Parfyonova, 2010:285).

4.10. THE INFLUENCE OF EMPLOYEE REWARDS ON ORGANISATIONAL COMMITMENT IN HIGHER EDUCATION INSTITUTIONS

Saqib, Abrar, Sabir, Mohsin Bashir and Baig's (2015:144) study indicated that there is a relationship between the tangible, intangible rewards and organisational commitment. The empirical results supported the relationship between the tangible rewards and organisational commitment. These findings proved that rewards had a positive and significant impact on the organisational commitment, which are in line with the literature. Previous research has shown that rewards for quality efforts appear to positively influence employee morale and satisfaction (Martins and Coetzee, 2007). Research by Zaitouni, Sawalha and Sharif (2011:113) suggests that employees who are provided with benefits, such as increased salary, bonuses and promotion, develop strong feelings of loyalty to the organisation. Perceptions of fair rewards and justice lead to higher levels of satisfaction and long-term commitment to.

A study by Mercer (2003:8) revealed that employees remain in an organisation if they are well rewarded and conversely, they may leave if they are poorly rewarded. Davies (2001:55) states that employees are likely to stay in an organisation where they believe that their capabilities, contributions and efforts are appreciated. A study by Aamodt (2007:335) revealed that satisfied employees tend to be committed to an organisation and employees who are satisfied and committed are more likely to attend work, stay with an organisation, arrive at work on time, perform well and engage in behaviours helpful to the organisation. Kotze and Roodt (2005:51) highlight that there is a strong correlation between job satisfaction and employee commitment. A good reward system attracts, motivates and satisfy employees in their jobs. Furthermore, good rewards foster personal growth and development and reduce labour turnover (Kreitner and Kinicki, 2008:256). Several studies found a direct link between job
satisfaction and organisational commitment, whereby job satisfaction is an antecedent of organisational commitment.

Van der Zee (2009:64) postulates that this thought process assumes that an employee's orientation toward a specific job precedes his or her orientation toward the entire organisation. Managers are thus strongly advised to increase job satisfaction in order to elicit higher levels of organisational commitment. Consequently, higher organisational commitment can facilitate higher productivity (Kreitner and Kinicki, 2001:227). Organisational commitment is the extent to which an individual identifies with an organisation and is committed it, and the attainment of its goals, and wishes to maintain membership in the organisation (Robbins, 2001:69). In view of the apparent relationship between employee rewards, job satisfaction and organisational commitment several hypothesis will be formulated and empirically to test the relationships between independent and dependent variables under investigation.

4.11. CONCLUSION

This chapter presents an exploratory model (Figure 4.1) for employee rewards in higher education institutions with specific reference to universities of technology, which enable these institutions to implement employee rewards that address job satisfaction and retention challenges. Formulation of the exploratory model (Figure 4.1) for employee rewards is the original contribution to the body of knowledge from existing literature. The exploratory model (Figure 4.1) highlights elements of total rewards that influences job satisfaction and organisational commitment. Significance of the exploratory model (Figure 4.1) describes and highlights the benefits of adopting the model which is to attract, retain and motivate academic staff in higher education institutions. The chapter concludes by asserting that there is a significant positive relationship between employee rewards, job satisfaction and organisational commitment. The literature warns that if higher education institutions offer inadequate rewards, negative outcomes such as low employee commitment, low motivation may ultimately lead to organisational performance-related problems, such as poor quality
of service delivery. The discussions in this chapter assert that maintaining high levels of satisfaction and commitment in employees is critical to organisational success. In the light of the sections explored in this chapter, it is believed that committed employees will act in the best interests of the organisation. The next chapter presents research methodology adopted in order to achieve objectives of the study. Specific attention will be given to sample, sampling techniques, data collection method, reliability and validity of the measuring instrument, and lastly, the statistical techniques employed for this study.
CHAPTER 5:
RESEARCH DESIGN AND METHODOLOGY

5.1. INTRODUCTION

Rewards have been at the heart of the employment relationship. Inadequate remuneration eventually results in extra expenditure for hiring, selection, training of new recruits that could otherwise have been utilised in other human resource activities like career development or employees’ performance improvement. Swanepoel, et al. (2014:613) maintain that the utilisation of rewards can therefore be a significant and powerful tool for shaping and determining work behaviour aimed at attaining strategic objectives of an organisation. Similarly, HEIs also face the same issue and challenge of job satisfaction and organisational commitment, especially for academic staff. HEIs are also considered as a centre of research, knowledge, change and excellence that is skilled in acquiring, generating and transferring knowledge to society (Mubarak, Wahab and Khan, 2012:65). Societies expect that higher education systems contribute to the overall development, although this depends upon qualified and competent staff of higher education institutions (Akthar, Aamir, Khurshid, Abro and Hussain, 2015:251).

Job satisfaction and organisational commitment is of utmost importance for higher educational institutions. However, they are finding it hard to retain competent and highly qualified employees in the face of competition from the industry. Machado, Soares, Brites, Ferreira and Gouveia (2011:1715) state that academic staff is a key resource within higher education institutions, and have a major role in achieving its objectives. Moreover, the performance of the academic staff determines much of student learning and success. Therefore, motivation and satisfaction of the academic staff is crucial for the quality of higher education institutions.

The literature reviewed in the previous chapter provides an exploratory model for employee rewards, job satisfaction and organisational commitment among academic staff at these institutions. According to Cohen, Manion and Morrison (2003:45); Kerr,
Hall and Kozuh (2004:1), research is a process of achieving solutions to problems using a planned and systematic method. Quantitative and qualitative methods can be used to conduct a successful project. This chapter presents the research design and methodology, research instrument for data collection, methods of data collection and data analysis. Ethical consideration is also provided and maintained in the current study.

5.2. RESEARCH DESIGN

A research design, according to Creswell (2008:59), outlines the specific procedures for collecting, analysing and reporting in quantitative research. It may be thought of as a map of how the research will unfold and provides a logical plan as to how it will be conducted and the findings validated. Blaikie (2000:21) formulates a research design as an integrated statement of and justification for the more technical decisions involved in planning a research project and a process. Babbie (2007:112) offers a closely related definition of design by stating that “a research design involves a set of decisions regarding what topic is to be studied among what population with what research methods for what purpose, research design is the process of focusing your perspective for the purposes of a particular study”. For Mouton (1996:175), the research design serves to plan, structure and execute the research in order to maximise the validity of the findings.

Krueger and Neuman (2006:12) make a similar reference to research design by outlining a step in the research process dedicated to designing the study that will enable the collection and analysis of data. A research design has been variously defined as: “a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings” (Burns and Grove, 2007:270); “a researcher’s overall plan for answering the research question or testing the research hypothesis” (Polit and Beck, 2012); “a plan that describes how, when and where data are to be collected and analysed” (Parahoo, 2014:164). Yin (2003:175) suggests colloquially that a research design is a plan of action for getting from “here to there”, where “here” may be defined by a set of questions to be answered and “there” a set
of results to be validated. However, the results or data collected must be valid and reliable. Monette, Sullivan and DeJong (2008:9) define research design as a plan outlining how observations will be made and how the researcher will carry out the project. Walliman (2006:42) states that the research design provides a framework for the collection and analysis of data and subsequently indicates which research methods are appropriate. Maree (2009:70) states that the choice of a research design is based on the researcher’s assumptions, research skills and research practices. Mouton (2006:55) refers to a research design as a plan or blueprint of how you intend conducting the research. Furthermore, Mouton (2006:55) suggests that a research design focuses on the end product and includes the following elements:

- What kind of study is being planned?
- What kind of result is aimed at?
- Research problem/question.
- What kind of evidence is required to address the research questions adequately?

5.3. RESEARCH METHODOLOGY

A quantitative research approach was used for this study. Creswell (2014:10) defines quantitative research approach as an inquiry approach useful for describing trends and explaining the relationship among variables found in the literature. Byrne (2002:14) further defines methodology as the ontological and epistemological status of the research procedures and questions of philosophical justification. De Vos (2002:242) defines quantitative research as the use of a deductive form of reasoning, collecting data of preconceived models, testing the hypotheses and theories. Maree (2009:145) asserts that quantitative research is a method or a process that is systematic and objective in its ways of using numerical data from only a selected subgroup of a universe (or population) to generalise the findings to the universe that is being studied. Quantitative research is useful for describing trends and explaining the relationship among variables found in the literature (Creswell, 2009:645).
According to Hunter and Erin (2008:290-306), quantitative methods include the following:

- The generation of models.
- The development of an instrument and methods of measurement.
- Experimental control and manipulation of variables.
- Collection of empirical data.
- Modelling and analysis of data.
- Evaluation of results.

Quantitative research is useful when the sample being investigated is large, involves collecting data, analysis, interpreting data and reporting on findings. Furthermore, Maree (2009:145) suggests that the quantitative research method is systematic and objective in its method of using numerical data from a selected representative sample to generalise the findings of the population that is being studied. Silverman (2001:2) further attests that the features of quantitative research are “hard, fixed, objective, value-free, survey, hypothesis testing and abstract”. Quantitative data can be seen as consisting of numbers that have been statistically analysed from a large number of participants sampled.

5.4. RESEARCH TARGET POPULATION

A study population is the full set of elements from which a representative sample is taken as a target of participants (Welman and Kruger, 2005:52). Welman and Kruger (2005:52) state that a population is the full set of elements from which a sample is selected. A unit of analysis is the entity or object that is being studied and analysed (Blumberg, Cooper and Schindler, 2008:224). Cresswel (2014:8) affirms that target population comprise the group of individuals who have the same characteristics which a researcher can identify and study. Furthermore, it is a group of potential participants identified as the target participants. The target population for this study comprises of
all permanent academic staff at Central University of Technology and Tshwane University of Technology (from level of lecturers, senior lecturers, head of departments and professors). The source list obtained from Human Resources Management department for both UoTs equated to 1089 (CUT = 269; TUT = 820). The population may be the totality of persons, events, organisation units, case records or other sampling units with which the research problem is concerned (McBurney, 2001:248). The researcher requested permission from both UoTs to conduct research at a selected UoTs (see Annexure A).

5.5. SAMPLING TECHNIQUE

Sampling means taking a portion or a smaller number of units of a population as representative or having particular characteristics of that total population (Denscombe, 2008:141). Cresswell (2014:160) attests that sample is a subgroup of the target population in which the researcher plans to study for generalising about the target population. Campbell and Swinscow (2009:375) assert that a carefully chosen sample is necessary if one wishes to obtain information that is representative of a particular population, so that accurate inferences can be drawn about the population that the sample represents. A sample comprises elements or a subset of the population considered for actual inclusion in the study or it can be viewed as a subset of measurements drawn from a population in which the researcher is interested in (Unrau, Gabor and Grinnell, 2007:279). According to Wisker (2001:138), a sample is described as a selected and chosen group upon which one carries out the research. Denscombe (2008:13) affirms that generalisation is done in the expectation and hope that the results found in a portion equally applies to the whole population. Wagner, Kawulich and Garner (2012:87) postulated that in quantitative research it is important to select a sample that will best approximate the characteristics of the population for which inferences will be drawn. Greenfield (2002:185) confirms that other reasons that necessitate sampling include cost, feasibility, quality and time. Sampling can be grouped into two broad categories: probability sampling, and non-probability sampling. For the purpose of this study, probability sampling using systematica sampling will be employed.
5.5.1. PROBABILITY PROCEDURES

Maree (2003:36) states that in a probability sample “each element in the population has a known positive probability or chance to be included in the sample. In this study, probability sampling was chosen. The quantitative research method was used and a large sample size was targeted. According to Cohen, Manion and Morrison (2003:99) as well as Maree (2003:36), simple random sampling, systematic sampling, stratified sampling, cluster sampling, stage sampling and multiphase sampling are some of the different probability sampling techniques that apply to quantitative studies. According to Bhattacherjee (2012:66), probability sampling can further be categorised into random sampling and non-random sampling. Random sampling occurs when the selection of sample elements is left to chance, with each population element having an equal chance of being selected (Bhattacherjee, 2012:66). While each type of sampling has its advantages and its disadvantages, often random probability sampling appears to be more appropriate for quantitative studies that must use more powerful statistical techniques for data analysis. This study will employ probability sampling using the systematic sampling technique. Probability sampling procedures is explained in details below.

5.5.1.1 Systematic sampling

In systematic sampling, only the first case is selected randomly, preferably from a random table. All subsequent cases are selected according to a particular interval for instance every fifth or tenth element on a list of names depending on the percentage sample needed (Rubbin and Babbie, 2005:266-267). Furthermore, Steyn, Smith, Du Toit and Strasheim (1994:22) and Fink (1995:14) concur with this but add that systematic sampling involves selecting every nth element to make up the sampling frame. According to Fink (1995:14), and Steyn, et al. (1994:22), systematic sampling involves selecting every nth element to make up the sampling frame. In addition, Creswell (2014:158) states that the researcher chooses a random start on a list and selects every \( X \) numbered people on the list, \( X \) number is based on the fraction or
even, odd number determined by the number of people on a list and the number that is to be selected from the list. Maree (2011:175) states that systematic sampling is useful in situations where the population size is not known and the population elements arrive at a certain location over time.

DePoy and Gilson (2008:234); Druckman (2005:141-142); Grinnell and Unrau (2008:143) affirm that the probability sampling technique is one in which each person in the population has the same known probability to be representatively selected, which permits the researcher to compute an estimate of the accuracy of the sample even before the study is done. A researcher can decide from the beginning that each tenth case on the alphabetical list will be selected. However, Babbie (2005:202-205) states that systematic sampling is considered as having higher value than simple random sampling, at least as far as convenience is concerned. According to Maree (2003:39), systematic sampling is very handy in cases where the population size is not known. This method is not precise and rigorous as using the random numbers table but it is more convenient because individuals do not have to be numbered and it does not require a random table (Creswell, 2014:161). Therefore, this study employed systematic sampling technique to select sample.

5.6. SELECTION OF THE SAMPLE

Willemse (2009:19) states that the design of a sample describes the method used to select the sample from the population. For this study, the systematic sampling method was chosen. The source list was ordered in numerical format for TUT (820 academic staff) and for CUT (296 academic staff) giving a combined total target population of N = 1089 academic staff. In order for the results to be not skewed, an equal opportunity was given to select the sample in each of the UoTs, using every 4<sup>th</sup> element as a systematic sampling tool. Thus, for CUT, the sample selected equated to 74 sample participants using every 4<sup>th</sup> element. For TUT, the sample selected equated to 205 sample participants again using every 4<sup>th</sup> element as a systematic sampling tool. Thus, the sample participants for both UoTs totalled 279 (TUT: N=205 + CUT: N=74), giving
a total of 279 sample participants. This was deemed to be adequate for the empirical investigation and the administration of the questionnaire.

5.7. DATA COLLECTION METHOD

According to Maree (2011:156), face-to-face, postal, personal, telephone, group and computer assisted survey methods can be used to collect data. Maree, et al. (2007:156) cites the following as some of the most commonly used data collection methods:

- Group administration of questionnaires where the researcher waits while an entire focus group of participants completes the questionnaire.
- Postal survey where the questionnaires are posted to the participants with instructions.
- Telephone survey where the participants are to ask questions and record answers.
- Face to face/personal survey where well-trained interviewers visit participants and ask questions and record answers.
- Personal method where the researcher distributes the questionnaires personally and collects completed questionnaires later.
- Electronic mailing where the researcher sends questionnaires and instructions via the electronic mailing system.

In this study, a structured questionnaire (Annexure B) was used to collect primary data using the personal method. The method chosen is relatively cheap, offers greater anonymity since there is no face-to-face interaction between participants, is easy to administer and participants can complete the questionnaire at a convenient time. The sample participants are also easily accessible to the researcher.
5.8. MEASURING INSTRUMENT (QUESTIONNAIRE)

According to Sharp and Howard (1996:145), questionnaires have, “over the past century, become a common method of gathering information.” It can be defined as “a pre-formulated written set of questions to which participants record their answers, usually within largely closely defined alternatives”. (Sekaran, 1992:200). In general, questionnaires are useful, where the researcher cannot observe the phenomenon directly or it is impractical to do so. It allows the researcher to reconstruct the phenomena through the experience and perceptions of the participants who have observed the phenomena (Frankfort-Nachmias and Nachmias, 1996:224). Babbie (2007:246) defines a questionnaire as a document containing questions or other types of items designed to solicit information appropriate for analysis. The main method of data collection was the questionnaire, designed to elicit information from the participants (Babbie, 2008:272). As Creswell (2009:46) suggests, it is the researcher who decides, asks specific narrow questions, collects quantifiable data from participants, and analyses these numbers using statistical procedures.

For the purpose of the present study, three instruments were utilised in measuring employee rewards. Thus, three sections compromise in the formulation of the questionnaire, namely, Job Satisfaction Survey, Organisational Commitment Questionnaire (OCQ) and Total Rewards Questionnaire adopted from World at Work Rewards. The Total Rewards Questionnaire adopted from World at Work Rewards (2008) was administered to the selected participants. The questionnaire was developed with the aim of allowing employees to determine important specific total rewards, as well as to record their levels of satisfaction with the total rewards they are offered. However, most questions in this study were based on Likert scales. Cohen, et al. (2003:253) maintain that Likert scales allowed for objective responses. The measuring instrument in this study included the pertinent questions related to the topic, the problem statement and the objectives. Each set of questionnaires were also accompanied by approval from both UoTs (Annexure A).
The carefully structured questionnaire contained 59 questions, divided into three sections.

- SECTION A: Biographical data;
- SECTION B: Employee rewards;
- SECTION C: Job satisfaction; and
- SECTION D: Organisational Commitment.

The participants were asked to indicate the extent of their agreement or disagreement with the statements on a scale of 1 to 5, as follows:

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly agree</th>
</tr>
</thead>
</table>

On this scale, 1 would mean that they strongly disagreed and 5 that they strongly agreed with the statement provided. The intervals 2, 3, 4 were to be regarded as equal intervals between 1 and 5. The questions were presented in such a way that they would not elicit more than one answer.

5.8.1. The Covering Letter

Each questionnaire contained a covering letter (Annexure B) addressed to the participants explaining the significance of the study, value of their participation, ethical considerations involved, notably that it was a voluntary exercise but that participation in the completion would be appreciated. This letter (Annexure B) was prepared by the researcher, an institution letterheard (Durban University of Technology) was used. The letter was signed by the researcher and promoter for the study.

5.9. PRE-TESTING RESEARCH INSTRUMENT FOR DATA COLLECTION

Questionnaire pretesting is a relatively straightforward, low-cost method for detecting problems with a questionnaire. It entails a small pilot study to determine how a questionnaire can be improved to minimise response errors, such as a respondent
misinterpreting a question (Bolton, 1991:558). Kumar (2014:191) speculated that having constructed the questionnaire, it is important to test it out before using it for the actual data collection. Moreover, pre-testing a research instrument entails a critical examination of the understanding of each question by participants. Kumar (2014:191) further indicated that a pre-test should be carried out under actual field conditions on a group of people similar to the study population. The purpose of the pre-test is not to collect or interpreting a question but to undertake if there are problems in understanding the way in which questions have been worded, and appropriateness of the meaning it communicates (Babbie, 2004:256). For the pre-testing of the research instrument (questionnaire), 10 academic staff at university of technology was asked to take part in testing. However, people who took part in the pre-testing were not included in the main inquiry. The selected participants were asked to give their comments for the better development of this questionnaire. Responses were returned for subsequent editing and proper wording of the questionnaire.

5.10. CHARACTERISTICS OF A GOOD QUESTIONNAIRE

According to Willemse (2009:15), a good questionnaire has three parts, namely: an administrative part; a classification part; and subject matter of inquiry. In a similar manner, the questionnaire was developed to cater for the administrative part, the classification and the inquiry part (Section A, Section B and Section C). According to Maree (2003:108), the characteristics of any standardised measuring instrument must be reliable, valid, objective, suitable and feasible. Cohen, Mannion and Morrison (2003:257) maintain that the order and layout of the questionnaire sets the tone for the empirical research. Bourque and Fielder (1995:17) state that the questionnaire must be short, it must include mostly open-ended questions and the questionnaire must stand alone, that is, all the information pertaining to the study should be included in the questionnaire. All these factors were considered in developing the close-ended structured questionnaire for this study.
5.11. PILOT STUDY

Barker (2003:327-328) defines a pilot study as a procedure for testing and validating an instrument by administering it to a small group of participants from the intended test population. In addition, those who will participate in the pilot study will not participate in the main inquiry (Rubin and Babbie, 2005:219; Unrau, Gabor and Grinell, 2007:179). Therefore, a pilot study aids the researcher to fine-tune and debug the process for a smooth main inquiry, as alluded to by Mitchell and Jolley (2001:13-14). A pilot study was conducted to test validity of the research instrument and identify unclear or ambiguous items in the questionnaire. It was conducted with 20 random target participants from UoT. Responses were captured to conduct a Cronbach Coefficient Alpha Test in order to determine the reliability of the questionnaire. The results of the pilot study are discussed in Chapter 6. Griffin (2005:1) states that Cronbach’s Alpha measures internal consistency as well. In addition, it is necessary to determine the reliability of the questionnaire in the pilot study. Therefore, the questionnaire was piloted with a homogenous group of academic staff that will not take part in the actual study. This aided the researcher to identify problem areas in the questionnaire and feedback that was obtained from the pilot test was used to modify the questions that are ambiguous or confusing.

5.12. HYPOTHESES FORMULATION

Cohen, Mannion and Morrison (2003:15) state that a good hypothesis must have the character of a logical relationship. Willemse (2009:199) argues that the hypotheses is used to statistically test for significance between two variables, the dependent variable and the independent variable, to draw conclusions. Gerring (2007:71) points out that all hypotheses have at least one independent variable (x) and one dependent variable (y). The hypothesis indicates what is being tested, that is, the relationship between the dependent and independent variable. Uys (2003:92) and Davies (2007:249) assert that it is important to use robust parametric testing to determine if relationships are significant. The independent variable in this study was the employee rewards (x) and
job satisfaction, and organisational commitment were the dependent variables \( (y) \). In order to determine whether there are significant relationships among the independent variables and dependent variable, Pearson Correlation Coefficient analysis was carried out. The scale model, suggested by Davies (1971) as cited by Karthikeyan, Devi and Mirudhubashini (2013:21), used to describe the relationship between the independent variables and the dependent variable, shown below:

- 0.7 and above – very strong relationship;
- 0.50 to 0.69 – strong relationship;
- 0.30 to 0.49 – moderate relationship;
- 0.10 to 0.29 – low relationships; and
- 0.01 to 0.09 – very low relationship.

A further discussion on the hypotheses formulated in this study is conducted under the analysis of results and discussion of findings.

5.13. ADMINISTRATION OF THE QUESTIONNAIRE

Gubrium and Holstein (1997:56) mention that it is complex to research institutions as authorisation is necessary. In the light of this, approval to conduct the study from both UoTs (Annexure A) was obtained. Both UoTs advised that the letter of approval was to be attached to each questionnaire, the covering letter (Annexure A) and the questionnaire (Annexure B) was distributed to 279 sample participants in both UoTs.

5.14. DATA PREPARATION

Data obtained from the structured questionnaires was prepared before it was analysed using statistical techniques. Malhotra (2010:453) indicated that when data collection has been completed, the raw data needs to processed, interpreted and analysed. The processing steps include data editing, coding and tabulation (Iacobucci and Churchill,
Data preparation is regarded as a process of converting data from a questionnaire into a format that can be analysed (Hair et al., 2008:392). The purpose of data preparation is to take data and prepare it for conversion into information. Editing and coding are the two main aspects that are essential in data preparation. A discussion of these aspects of data preparation follows in the next section.

5.14.1. Data editing

According to Shukla (2008:95), editing ensures that the obtained data is complete, accurate, follows the research objectives, is uniformly entered, and organised in a simple manner to code and tabulate. Furthermore, McDaniel and Gates (2010:384) attest that editing process is often performed twice on questionnaires before the data is captured. To this end, editing is the assurance of checking questionnaires for errors, illegibility and inconsistency (Zikmund and Babin, 2013:64). The questionnaires in this study underwent the editing process twice. In addition, any questionnaire that was less than 90 percent completed was discarded.

5.14.2. Coding

Maree (2011:105) states that coding is the process of reading carefully your transcribed data, line by line and dividing it into meaningful analytics units. Coding is therefore defined as marking the segments of data with symbols, descriptive words or unique identifying names. Similarly, Creswell and Clark (2011:208) affirm that coding the data, divides the text into small units (phrases, sentences or paragraphs), assigns a label to each unit and groups the codes into themes. Moreover, the coding label can come from the exact words of the participants or phrases composed by the researcher. Creswell (2014:2) concurs that coding is quantitative process in which the researcher makes sense out of data, divides it into text or numbers, labels the segments and examines codes for data analysis. A code or number was assigned for each question on the questionnaire. Numbers were assigned for respondent response on a Likert scale. For example, strongly disagree=1 and strongly agree=5. Before entering the
data onto the spreadsheet, each questionnaire was numbered for future reference and verification purposes.

5.14.3. Entering data

The numerical codes that were written on the questionnaires were entered into a computer in a format that could be used in a statistical computer package. A spreadsheet was used to enter the data for each subject or case in a row, while the columns represented scores on specific variables (Leedy and Ormrod, 2013:274).

5.15. DATA AND STATISTICAL ANALYSIS

After data collection, data was captured onto the Excel spreadsheet. Furthermore, statistical analysis was conducted using Statistical Package for the Social Sciences (SPSS) and AMOS version 24.0 for Windows were used to perform data analysis. A discussion of these statistical methods is presented in the next section.

5.15.1. Factor analysis

Factor analysis is a method of grouping together variables that have something in common. It is a process which enables the researcher to take a set of variables and reduce them to a smaller number of underlying factors, which account for as many variables as possible. It detects structures and commonalities in the relationships between variables (Malhotra, Birks and Wills, 2013:364). Hair, Black, Babin, and Anderson (2010:94) describe factor analysis as an interdependence technique whose primary purpose is to define the underlying structure among the variables in the analysis. Thus, it enables researchers to identify where different variables are addressing the same underlying concept (Cohen, Manion and Morrison, 2007:566).
Pallant (2013:179) distinguishes two main approaches to factor analysis, namely, exploratory factor analysis (EFA) and confirmatory factor analysis. In this study confirmatory factor analysis was applied in the present study. Confirmatory factor analysis (CFA) is a more complex and sophisticated set of techniques, which is also applied in the present study to test a model fit and specific hypothesis. Factor analysis begins with the construction of a new set of variables based on the relationships in the correlation matrix (Cooper and Schindler, 2003:635).

The following procedures as recommended by Malhotra (2010:639) were employed during the factor analysis procedure:

- formulate the problem;
- construct the correlation matrix;
- determine the method of factor analysis;
- determine the number of factors;
- rotate the factors;
- interpret the factors;
- calculate the factor scores;
- select surrogate variables; and
- determine the model fit.

The most common factor extractions are principal component analysis, image factoring, weighted least squares and alpha factoring (Pallant, 2013:181). In this study, a principal component analysis (CPA) was used to extract the factors and the rotation applied was Oblimin with Kaiser Normalisation.

5.15.2. Reliability

Maree (2007:147) states that reliability refers to the consistency or dependability of a measuring instrument. A measuring instrument that is reliable will produce the same results if a variable is repeatedly measured under almost identical circumstances. Reliability analysis will be conducted with the aim of ensuring that the items measure the appropriate underlying constructs in the present study. In addition, Cronbach’s coefficient alpha test and composite reliability is the most widely used measure by
social researchers. Vithal and Jansen (2003:33) indicate that reliability is about the consistency of a measure, score or rating, and since the world of research with human subjects is not perfect, it is vitally important for researchers to develop a number of techniques for estimating reliability, namely, error in measurement. Vithal and Jansen (2003:33) further elaborate that such a technique is called reliability coefficient, a measure which ranges from $r=0$ to $r=1$ (perfect reliability). The higher the correlation coefficient (closer to 1), the higher the reliability of the measure, and the lower the error of measurement.

5.15.3. Validity

Validity, on the other hand, refers to the extent to which a measurement procedure actually measures what it is intended to measure rather than measuring something else, or nothing at all (Leary, 2004:69). Construct validity will be used to measure intended mediating variable rather than irrelevant constructs or measurement error (Welman, Kruger and Mitchell, 2009:142). The researcher will strive to achieve face, content, construct and predictive validity. The appropriate sample should be used to ensure validity (Cohen, Manion and Morrison, 2003:115).

5.15.3.1 Content validity

According to Creswell (2014:2), content validity is the extent to which the questions on the instrument and the scores from these questions are representative of all the possible questions that could be asked about the content or skills. Hair, et al. (2014:123) attest that content validity is assessed before data are collected in an effort to ensure that the scale includes items to represent all relevant aspects of the constructs. According to Fink (1995:509), content validity refers to the extent to which a measure thoroughly and appropriately assesses the skills or characteristics it is intended to measure. Cohen, et al. (2007:137) adds that to demonstrate this form of validity the instrument must show that it fairly and comprehensively covers the domain or items that it purports to cover. This form of validity, also known as face validity, subjectively assess the correspondence between the individual items and the concept.
through ratings by expert judges, pretests with multiple subpopulation or other means (Hair, et al., 2014:123). The objective of content validity is to ensure that the selection of scale items extends past just empirical issues to also include theoretical and practical consideration. Moreover, a researcher is required to examine whether the scale items adequately cover the entire domain of the construct being measured (Malhorta, 2010:320). In the present study the questionnaire was examined and validated by the researcher, researcher promoter and the statistician in order to ensure that the measuring instrument cover the constructs of the study, namely, employee rewards, job satisfaction and organisational commitment. These constructs were adequately covered in the measuring instrument.

5.15.3.2 Construct validity

According to Creswell (2014:2), construct validity is a determination of the significance, meaning, purpose and use of scores from an instrument. Construct validity is a type of validity neither purely judgmental nor absolutely empirical that aims at determining the extent to which the constructed tool is able to measure a construct (hypothesised idea to describe or explain the behaviour under measurement) (Mangal and Mangal, 2013:586). Lochmiller and Lester (2017:207) state that construct validity refers to the congruence between ideas and the way in which they are measured. Moreover, to Palaiologou, Needham and Male (2016:196), construct validity should measure hypothetical constructs or concepts. Kumar (2014:215) affirms that construct validity is an indication of the quality of a research instrument to measure what it is supposed to measure. It is based upon statistical procedures and determined by ascertaining the contribution of each construct to the total variance observed in a phenomenon. Maree (2011:217) emphasises that construct validity is required for standardisation and has to do with how well the construct is covered by the instrument, and measured by different groups of related items.

However, Malhorta (2010:321) distinguishes two measures of validities, namely convergent and discriminant validity. Awang (2012:55) states that in convergent validity, validity is achieved when all items in a measurement model are statistically
significant. The convergent validity could also be verified by computing the Average Variance Extracted (AVE) for every construct. The value of AVE should be 0.5 or higher for this validity to achieve. Thus, retaining the low factor loading items in a model could cause the construct to fail convergent validity. Carlson and Herdman (2012:17) are of the view that using different measures of constructs in research to develop robust evidence of relationships and effects is seen as good methodological practice. Agarwal (2011:9) agrees with this point of view and states that “when working with multiple constructs in a survey study, it is important to satisfy convergent validity”. Convergent validity implies that different methods for researching the same construct should give a relatively high inter-correlation (Cohen, et al., 2007:138). In the present study, convergent validity was measured by factor loadings.

5.15.3.3 Discriminant validity

Awang (2012:55) affirms that discriminant validity indicates the measurement model of a construct is free from redundant items. Hair, et al. (2014:619) state that discriminant validity is the extent to which a construct is truly distinct from other constructs. Thus, high discriminant validity provides evidence that a construct is unique and captures some phenomena other measures do not. AMOS could identify the items of redundancy in the model through a discrepancy measure called Modification Indices (MI). High value of MI indicates the respective items are redundant. The researcher could delete one of the identified items and run the measurement model. The researcher could also constrain the redundant pair as “free parameter estimate”. Another requirement for discriminant validity is that the correlation between exogenous constructs should not exceed 0.85. The correlation value exceeding 0.85 indicates the two exogenous constructs are redundant or have serious multicollinearity problems. In the present study, construct validity of the measuring instrument was done in terms of convergent and discriminant validity measures.
5.15.4. Correlation analysis

Pearson's or the Product-Moment correlation coefficient was used for interval and ratio data to establish the strength and direction of the relationships (Rasli, 2006:32). Pearson correlation coefficient \( r \) ranges between positive and negative relationships. According to Rasli (2006:29), the critical value of the Pearson correlation coefficient is 0.196 (for alpha level = 0.05). McDaniel and Gates (2002:560) state that correlation analysis is the analysis of the degree to which changes in one variable are associated with changes in another. In this study Pearson product moment correlation coefficient (\( r \)) and Spearman rank order (rho) were used (Pallant, 2013:133). The Pearson correlation coefficient measures the degree to which there is a linear association between two interval-scaled variables (Kumar, Aaker and Day, 2002:411). Pearson correlation can also be used with one continuous variable and one dichotomous variable whereas Spearman rank order (rho) is specifically designed for use with ordinal level or ranked data and is particularly useful when the data does not meet the criteria for Pearson correlation (Pallant, 2013:133). Spearman rank correlation coefficient is a non-parametric measure of correlation, using ranks to calculate the correlation among ordinal variables. Spearman rank correlation coefficient is a recommended statistic to use when two variables have been measured using ordinal scales (Hair, et al., 2013:320).

Chandra and Sharma (2013:34) affirm that correlation coefficient (\( r \)) ranges from -1 to +1. A value of zero to one (positive relationship) means that as the values for one variable increase, so do those of the other, while a value between -1 and zero (negative relationship) means that as the values of one variable increase, those for the other decrease. No correlation is indicated if \( r \) equals zero. A positive correlation reflects a tendency for a high value in one variable is associated with a high value in the second variable. A negative correlation reflects an association between a high value in one variable and low value in the second variable. The correlation coefficient is the most widely used statistic that summarises the strength and direction of association between the two metric variables, say X and Y (Malhotra and Peterson, 2006:497). Pearson correlations were undertaken to examine the relationship
amongst the dimensions of electronic banking service quality, customer value, customer satisfaction and customer loyalty. To further examine any relationship through correlation and test the hypothesised research model, a structural equation modelling was performed.

5.15.5. Descriptive statistics

Creswell (2014:3) states that descriptive statistics present information that helps a researcher describe responses to each question in a database as well as determine overall trends and the distribution of the data. However, Churchill and Brown (2004:545) attest that descriptive statistics is a collective name for a number of statistical methods used to organise, summarise and interpret a sample in a meaningful way. Creswell (2014:203) affirms that descriptive statistics will aid the researcher to summarise overall trends or tendencies in data, provide an understanding of how varied scores might be and provide insights into where one score stands in comparison with others. Descriptive statistics describe a body of data that determine three elements that researchers may want to know about a data set: point of central tendency, amount of variability and the extent to which different variables are associated with one another (Leedy and Ormrod, 2010:265). According to Burns and Burns (2008:7), the term descriptive statistics also relates to the process of collecting, organising, and presenting data in some manner that describes these data; and the numbers that reduce a large amount of data to one or two relatively easily understood values, such as averages, percentages and frequency. These are central tendency, variability and relative standing and will be explained in the next section.

5.15.5.1 Measurement of central tendency

Measures of central tendency are a summary of numbers that represent a single value in distribution of scores (Creswell, 2014:204). These are expressed as an average score (the mean), the middle of a set of scores (the median), or the most frequently occurring score (mode). In quantitative studies, researchers typically report all three
measures. The mean is the most popular statistic used to describe responses of all participants to items on an instrument (Creswell, 2014:204).

5.15.5.2 Measures of variability

Tredoux and Durrheim (2013:53) state that variance and standard deviation are statistics that describe measures of variability within data. Malhorta (2010:487) distinguishes the difference between mean and observed value, which is called deviation from the mean. Variance is the mean squared deviation from the mean. Hence, variance measures variability while standard deviation is closely related to variance and it is the square root of the variance (Chandra and Sharma, 2013:36).

5.15.6. Structural equation modelling (SEM)

Structural equation modelling refers to a statistical procedure that incorporates many statistical techniques simultaneously into one process (Kline, 2011:7). Structural equation modelling (SEM) is a family of statistical models that seek to explain relationships among multiple variable (Hair, et al., 2014:640). It integrates various statistical methods such as covariance structure analysis, factor analysis and multiple regression analysis perform its research investigation (Muijs, 2012:232; Kline, 2011:7; Hair, et al., 2010:629). Therefore, structural equation modelling is a multivariate statistical technique that “considers and estimates the linear and/or causal relationships between multiple exogenous (independent) and endogenous (dependent) constructs through a simultaneous, multiple equation estimation process” (Babin and Svensson, 2012:321). Simply put, structural equation modelling tests the underlying relationships between one or more independent variables and one or more dependent variables (Ullman, 2006:35).

SEM is able to examine a series of dependent relationships simultaneously, while also analysing multiple dependent variables (Shook, Ketchen, Hult and Kacmar,
2004:397). It is a family of statistical techniques, which incorporates and integrates path analysis and factor analysis (Garson, 2004:1) and uses “various types of models to depict relationships among observed variables, with the same basic goal of providing a quantitative test of a theoretical model hypothesised by a researcher” (Schumacker and Lomax, 2004:2). Structural equation modelling approach involves designing measurement models to define latent variables and then establishes relationships or structural equations among the latent variables (Schumacker and Lomax, 1996:63).

The causal processes under study are represented by a series regression equations, where the structural relationships may be modelled pictorially, thereby providing a clear visual conceptualisation of a specific theory (Byrne, 2010:3; Hair, et al., 2010:641). A very important requirement of SEM analysis is that it should be grounded in an underlying theory, which is the first step in the process of defining the individual constructs (unobserved or latent factors) and specify how each is to be measured in terms of their observed (indicator) variables (Byrne, 2010:4). Following defining and specifying individual constructs, the next step is to specify the measurement model (Malhotra, 2010:729). Hair, et al. (2010:653) claim that SEM has become a popular multivariate approach in a relatively short time, and researchers are attracted to it primarily because it provides a conceptually appealing way to test theory. The following six-stage process applies in SEM (Hair, et al., 2010:654; Malhotra, 2010:729).
5.15.6.1 Definition of individual constructs

Lei and Wu (2007:35) state that a common characteristic of structural equation modelling is that it is based upon sound theory and prior knowledge. Hair, *et al.* (2010:65) attest that sound theory is a prerequisite for applying SEM and obtaining useful results. Kline (2011:6) asserts that structural equation modelling requires construct measures that possess strong psychometric properties (that is, reliability and validity), which are defined by pre-existing theory, given that failure to do so may incur biased results. Once this is achieved, a measurement theory and structural theory are then concluded (Hair, *et al.*, 2014:642). Measurement theory stipulates how constructs are represented, whilst structural theory portrays the relationship between constructs. The formulated structural relationships are then converted into hypotheses (Malhotra, 2010:729). The exploratory model proposed a theoretical relationship among constructs or variables of the study, namely, employee rewards, job satisfaction and organisational commitment.
5.15.6.2 Designing a study to produce empirical results

According to Hair, *et al.* (2014:64), assessing the adequacy of the sample size, selecting the estimation method and selecting a missing data approach are important aspects to consider at this stage. However, Malhotra (2010:730) is of the view that the sample size required for SEM is influenced by several considerations such as the complexity of the model, estimation technique, amount of missing data, amount of average error variance among the indicators or measured variables, and multivariate distribution of the data. The following sample sizes are suggested by Hair, *et al.* (2010:662):

- **Minimum sample size – 100:** Models containing five or fewer constructs each with more than three items (observed variables), and with high communalities (.6 or higher).
- **Minimum sample size – 150:** Models with seven or fewer constructs, modest communalities (.5), and no under identified constructs.
- **Minimum sample size – 300:** Models containing seven or fewer, lower communalities (below .45) and/or multiple under identified constructs.
- **Minimum sample size – 500:** Models with large number of constructs, some with lower communalities, and/or having fewer than three measured items.

5.15.6.3 Assessing measurement model validity

Hair, *et al.* (2014:655) pointed out the emphasis on model fit and whether structural relationships are consistent with theoretical expectations. Validation of the model is not complete without examining the individual parameters estimates. The researcher needs to make sure that these parameters are statistically significant and meaningful. Moreover, measurement validity relies on two aspects:

- establishing acceptable levels of goodness-of-fit (GOF) for the measurement model; and
- finding the specific evidence of construct validity.
According to Maydeu-Olivares and García-Forero (2010:190), the goodness of fit (GOF) of a statistical model describes how well it fits into a set of observations. GOF indices summarise the discrepancy between the observed values and the values expected under a statistical model. GOF statistics are GOF indices with known sampling distributions, usually obtained using asymptotic methods used in statistical hypothesis testing. Maydeu-Olivares and García-Forero (2010:190) attest that large sample approximations may behave poorly in small samples; a great deal of research using simulation studies has been devoted to investigate under which conditions the asymptotic p-values of GOF statistics are accurate (i.e., how large the sample size must be for models of different sizes). The absolute fit indices indicate how well an hypothesised model match the empirical data of the study. Absolute fit measures include goodness-of-fit indices, such as the goodness-of-fit index (GFI), the adjusted-goodness-of-fit index (AGFI), and badness-of-fit indices, which measures error or deviation, such as the chi-square test ($\chi^2$) (Pallant, 2013:103), the root mean square residuals (RMSR), the standardised root mean square residuals (SRMSR) and the root mean square error of approximation (RMSEA) (Malhotra, 2010:731).

In contrast to absolute fit indices, incremental fit indices assess how well the specified model fits the sample data relative to some alternative model that is treated as a baseline model. The indices include normal fit index (NFI), non-normal fit index (NNFI), comparative fit index (CFI), Tucker Lewis index (TLI) and relative noncentrality index (RNI) (Malhotra, 2010:732). The parsimony fit indices, namely, parsimony goodness-of-fit index (PGFI) and parsimony normal fit Index (PNFI) are designed to assess fit in relation to model complexity and are useful in evaluating competing models. A parsimony fit measure is improved either by better fit or by a simpler model (Hair, et al., 2014:656). A model is said to be fulfilling the criteria of goodness-of-fit that meets certain values, as indicated in Table 5.1.
Table 5.1 Goodness-of-fit indices

<table>
<thead>
<tr>
<th>Goodness-of-fit indices</th>
<th>Fit criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>$X^2/df$ (normal chi-square)</td>
<td>$\leq 5$</td>
</tr>
<tr>
<td>GFI (goodness-of-fit index)</td>
<td>$\geq .90$</td>
</tr>
<tr>
<td>AGFI (adjusted goodness-of-fit index)</td>
<td>$\geq .90$</td>
</tr>
<tr>
<td>CFI (comparative fit index)</td>
<td>$\geq .90$</td>
</tr>
<tr>
<td>NFI (normal fit index)</td>
<td>$\geq .90$</td>
</tr>
<tr>
<td>TLI (Tucker Lewis index)</td>
<td>$\geq .90$</td>
</tr>
<tr>
<td>RMSEA (root mean square error of approximation)</td>
<td>$\leq .08$</td>
</tr>
</tbody>
</table>


Unique approaches to reliability, convergent validity and discriminant validity measures need to be applied to SEM beyond and above their general applications (Shook, et al., 2004:399; Malhotra, 2010:733). Composite reliability (CR), which is defined as the total amount of true score variance in relation to the total score variance need to be calculated. The value should be 0.7 or higher for a good scale. Convergent validity measures the degree to which the scale correlates positively with other measures of the same construct. The main concern of convergent validity is whether the degree of correlation among different measures expected to measure the same construct exist (McDaniel and Gates, 2010:256). The size of factor loading provides evidence of convergent validity. Another criteria used to measure convergent validity is the average variance extracted (AVE), which is defined as the variance in the indicators or observed variables that is explained by the latent construct (Malhotra, 2010:734). A value of 0.50 or higher indicates a satisfactory measure of AVE indicating convergent validity measures.

5.15.6.4 Specifying structural model

With the construct measures in place, the researcher must establish the structural relationships among the constructs and translate them into a form suitable for SEM
analysis (Hair, *et al.*, 2014:654). Dependence relationships are established at this stage and relationship between constructs is determined.

### 5.15.6.5 Assessing structural model validity

Assessing structural model validity is the final stage in SEM. At this stage efforts are made to test the validity of the proposed structural model and its corresponding hypothesised theoretical relationships (Hair, *et al.*, 2014:655) and this process involves the following, according to Malhotra (2010:736):

- Examining the fit;
- Comparing the proposed structural model; and
- Testing structural relationships and hypothesis.

High ethical standard was viewed of critical importance in the study, given its. The ethical considerations that guided this research are discussed in the next section.

### 5.16. ETHICAL CONSIDERATIONS

According to Mouton (2006:238-239), “the ethics of science fears what is wrong and what is right in the conduct of research”. The intention of the research, its nature, the involvement of the participants in the research and their rights will be clarified to the participants. Saunders, Lewis and Thornhill (2003:131) provide a list of key ethical issues that normally require adherence when undertaking a research project. These include the following:

- voluntary nature of participation and the right to withdraw partially or completely from the process;
- consent and possible deception of participants;
- maintenance of the confidentiality of data provided by individuals or identifiable participants and their anonymity;
- privacy of possible and actual participants;
- reactions of participants to the way in which you seek to collect data;
• effects on participants of the way in which you use, analyse and report your data; and
• behaviour and objectivity of the researcher.

Furthermore, research was conducted in a manner that guarantee confidentiality and anonymity regarding the responses of the sample participants. An ethical letter of informed consent from both UoTs (CUT and TUT) was given, and ethical clearance was given by Durban University of Technology; they had no objections to the researcher conducting this research at both UoTs. The applicable ethical principles was followed in the study since it relates constantly on mutual trust and good cooperation between the participants and researcher. Furthermore, the selected sample of participants were free to answer the questionnaire with no coercion on the part of the researcher and these aspects are reinforced in the covering letter (Annexure B) attached to each questionnaire (Annexure B) and permission to conduct the study (Annexure C).

5.17. CONCLUSION

This chapter provides an account of the quantitative research methodology adopted in this empirical study. The chapter discussses the research approach, target population, sampling design used. The sampling procedure resulted in a sample size of 279 academic staff to be approached to take part in the study. The chapter further discusses and explains reliability, validity, ethical considerations and data collection methods. The statistical analysis that was applied, namely, descriptive statistics, and structural equation modeling. Confimatory factor analysis, regressions and structural equation modelling was applied. The next chapter outlines the results of the quantitative analysis. The analysis of the results for each analysed response category is followed by a discussion of the key findings of the empirical component of the study.
CHAPTER 6:
PRESENTATION OF DATA AND ANALYSIS OF RESULTS

6.1. INTRODUCTION

This chapter presents data and the analysis of results and discusses the findings obtained from the empirical analysis of the questionnaire in this study. The data collected from the responses were analysed with the Statistical Package for the Social Sciences (SPSS) and AMOS, version 24.0 for Windows. The results are presented in the form of numbered graphs, figures and tables. The target population comprises 1089 participants from both selected Universities of Technology in South Africa. A questionnaire that comprised mainly Likert Scales, was administered to 279 sample participants which is academic staff. Of the 279 participants, 225 returned the questionnaires to the researcher. However, upon scrutiny it was discovered that one respondent did not answer the majority of questions. This questionnaire was therefore discarded completely. Of the remaining 217 questionnaires some of the participants left one or two questions blank, therefore questionnaires returned for analysis equated to n=217 questionnaires was legitimate to be used on the study.

Sekaran (2003:303) refers to this as item as non-response, and these blank responses were left out of the statistical analysis, which varied for each question. Thus, this represented an average response rate of 78%, which was accepted for data analysis. Babbie (2010:177) claims that a response rate of at least 50 percent is usually considered adequate for analysis and reporting in a survey. According to Wyse (2012:1), while surveying a sample of participants, there are two key measures, i.e. confidence level and margin of error. Each of these works together. For example, if you have a 95% confidence level and a 5% margin of error. Wyse (2012:1) attests that survey responses is required for 95% confidence level with +/- 5% Margin of Error. Table 6.1 below explains the number of survey responses you need, depending on the number of people in your target population.
Table 6.1 Population and responses needed

<table>
<thead>
<tr>
<th>Population Size</th>
<th>Responses Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>100</td>
<td>80</td>
</tr>
<tr>
<td>200</td>
<td>132</td>
</tr>
<tr>
<td>300</td>
<td>169</td>
</tr>
<tr>
<td>400</td>
<td>197</td>
</tr>
<tr>
<td>500</td>
<td>218</td>
</tr>
<tr>
<td>600</td>
<td>235</td>
</tr>
</tbody>
</table>


Sekaran (2003:303) states that for blank responses (item non-response), it is necessary to indicate that “xx questions were not answered”. Sekaran (2003:303) further attests that the researcher should “ignore the blank response”. It was therefore necessary to indicate the number of sample participants that did not answer the question. Hence, the average response rate varied for each question in this study. The researcher distributed the questionnaire personally to different campuses at these universities of technology. Hence, academic staff that includes head of department, senior lecturers and lecturers formed the unit of analysis in this quantitative study. This chapter focuses on the descriptive and inferential statistics used for the analysis. Exploratory rewards model was tested with hypotheses.

6.2. DATA ANALYSIS PROCEDURE

In order to analyse data, several statistical methods were employed. Data was analysed using SPSS. Assessment of final measures, confirmatory factor analysis was performed using AMOS 24. Statistical procedures used to validate measures involved the assessment of items and scale reliability, convergent and discriminant validity. Details of structural equation modeling was analysed in this chapter, along with the interpretation of results.
6.3. PILOT STUDY RESULTS

Prior to the final stages of the study, a pilot study was conducted to test the reliability of the data collection instrument. In order to test the reliability of the measuring instrument, a structured questionnaire was used to survey a pilot sample of 30 participants in order to refine the measurement instrument (questionnaire) in terms of wording, clarity, layout, relevance of the questions and ambiguity of items’ content as well as translation biases. Relevant alterations were made to the questionnaire, and where necessary several items were deleted and some rephrased. The services of a statistician were sought to test the consistency of the questionnaire. The statistician administered the Cronbach’s coefficient alpha test on 30 questionnaires and the results are in Table 6.2 below. Table 6.2 shows that Cronbach’s alpha for the Total rewards was .622; Job satisfaction .933 and Organisational commitment .905.

Table 6.2 Cronbach’s alpha for the pilot test

<table>
<thead>
<tr>
<th></th>
<th>Number of items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Rewards</td>
<td>47</td>
<td>.896</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>13</td>
<td>.933</td>
</tr>
<tr>
<td>Organisational Commitment</td>
<td>13</td>
<td>.905</td>
</tr>
</tbody>
</table>

6.4. ANALYSIS OF RESULTS

An overview of descriptive and inferential statistics used is presented below. The preliminary analysis is shown using descriptive statistics. According to Levine, Ramsey and Smidt (2010:1), the term ‘statistics’ can have many meanings and as the number of observations get larger, it becomes necessary to condense the data into appropriate summary tables. Franzosi (2004:5) attests the need to present, analyse and interpret the findings. A frequency distribution is a summary table in which the data are arranged into established categories. The descriptive data in this study is presented in tables, pie charts and bar charts. Lind, Marchal and Mason (2004:6) suggest that descriptive statistics describe the organising and summarising of

6.5. TABULATION VARIABLES

Tabulation of scores is the process of arranging data in an orderly manner, usually in the form of a table or some summary format, which shows the number of responses or scores in each category (Hair, Bush, Lukas, Miller and Ortinau, 2008:408). A statistical table is one in which captured data is orderly presented or arranged in one or more classification system. This is attained by calculating the number of responses allocated for each of the questions (Silver, Stevens, Wrenn and Loudon, 2013:232; Iacobucci and Churchill, 2010:32). Tables take on various forms such as bivariate tabulation, univariate tabulation and multivariate tabulation (Struwig and Stead, 2011:152; Malhotra, 2010:467). Table 6.3 shows a records of item tabulation of the frequencies received on the measuring five-point scale and descriptive statistics, namely, the mean and standard deviation.

<table>
<thead>
<tr>
<th>Item scale</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERC1</td>
<td>28</td>
<td>95</td>
<td>5</td>
<td>73</td>
<td>16</td>
<td>2.79</td>
<td>1.244</td>
</tr>
<tr>
<td>PERC2</td>
<td>49</td>
<td>73</td>
<td>12</td>
<td>70</td>
<td>13</td>
<td>2.65</td>
<td>1.300</td>
</tr>
<tr>
<td>C1</td>
<td>19</td>
<td>114</td>
<td>9</td>
<td>59</td>
<td>16</td>
<td>2.72</td>
<td>1.170</td>
</tr>
<tr>
<td>C2</td>
<td>21</td>
<td>94</td>
<td>11</td>
<td>67</td>
<td>24</td>
<td>2.90</td>
<td>1.253</td>
</tr>
<tr>
<td>C3</td>
<td>20</td>
<td>103</td>
<td>13</td>
<td>59</td>
<td>22</td>
<td>2.82</td>
<td>1.222</td>
</tr>
<tr>
<td>C4</td>
<td>25</td>
<td>110</td>
<td>10</td>
<td>52</td>
<td>20</td>
<td>2.69</td>
<td>1.218</td>
</tr>
<tr>
<td>C5</td>
<td>16</td>
<td>74</td>
<td>17</td>
<td>74</td>
<td>36</td>
<td>3.18</td>
<td>1.270</td>
</tr>
<tr>
<td>C6</td>
<td>17</td>
<td>93</td>
<td>11</td>
<td>63</td>
<td>33</td>
<td>3.01</td>
<td>1.284</td>
</tr>
<tr>
<td>C7</td>
<td>12</td>
<td>80</td>
<td>19</td>
<td>79</td>
<td>27</td>
<td>2.83</td>
<td>1.237</td>
</tr>
<tr>
<td>Item scale</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Uncertain</td>
<td>Agree</td>
<td>Strongly Agree</td>
<td>Mean</td>
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</table>

As can be observed from Table 6.3, most of the responses were recorded on the positive side of the range, namely strongly agree and agree, resulting in an overall higher means which is above the median (3.0). The highest mean (4.41) is recorded for item B8 in section of benefits, 4.38 for item B1 in benefits section, 3.18 for C5 in compensation section and 3.73 for item JS6 in Section for job satisfaction of the questionnaire. The standard deviation describes the average amount by which the scores deviate from the mean (Hair, et al., 2013:272). A higher standard deviation indicates less agreement while lower standard deviation suggests greater agreement amongst the participants. As is evident from Table 6.3, lower standard deviation scores were obtained in all the items of the scale, suggesting greater agreement regarding their perception of electronic banking services. However, a higher standard deviation (1.377) is depicted on item PMR 1, suggesting significant variation that academic staff receive performance reviews at the university.

6.6. DESCRIPTIVE AND DEMOGRAPHIC STATISTICS

Descriptive statistical techniques were used to evaluate and analyse the data to obtain statistical results. According to Goddard and Melville (2001:9), descriptive or case study research is research in which a specific situation is studied either to see if it gives rise to any general theories, or to see if existing general theories are borne out by the specific situation. Welman, Kruger and Mitchell (2005:231) define descriptive statistics as the description and/or summary of the data obtained for a group of individual units of analysis. Treiman (2009:114) states that presenting descriptive statistics is informative as it allows the reader to understand the most basic aspects of the data being analysed. The descriptive statistics is based on the demographic information of the study. It is presented using frequency tables, cross-tabulations and
various types of statistical tests employed to yield a statistical value. Bryman and Cramer (2009:199) describe cross-tabulation as one of the simplest and most frequently used ways of demonstrating the presence or absence of a relationship between variables.

Maree (2009:184) defines frequencies as the numerical way of summarising the choice made by participants. Bougie and Sekaran (2014:313) explain frequencies as the number of times various sub-categories of a certain phenomenon occur, while McMillan and Schumacher (2006:153) refer to frequencies as the number of times the same score is obtained. The statistical section shows the analyses of the main variables related to the participants’ perception towards employee rewards, job satisfaction and organisational commitment. These three components were central to the study. The data collected provided valuable insight into the complexity of the phenomenon under study. This section provides a description of the demographic characteristics of the sample.

6.6.1. Gender

Table 6.4 The frequencies of the gender groups in the sample (n=217)

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<th>Percent</th>
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</thead>
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<td>Female</td>
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An analysis of the demographic profile of participants in Table 6.4 reveals that approximately 49.8% (n=108) of the participants were female whereas approximately 50.2% (n=109) were male. Badat (2010:25) affirms that the South African academic workforce exhibits complexity because it was racialised and gendered, which bestowed South African universities with a predominantly male academic workforce. In the first decade since democracy (1994-2004), most professors and associate professors in South African universities, who constitute most highly qualified, are experienced and productive researchers. With respect to gender equity, the patterns
indicate a greater level of change than in terms of race. According to CHE (2016:287), a growth in permanent female academics since 1994 has been far greater than for males (90%:10%), and the situation in 2012 was such that almost 45% of the permanent complement was female, 55% male. At aggregate level thus, it is apparent that progress towards gender equity has been rapid.

6.6.2. Age groups in the sample

Table 6.5 The frequencies of the age groups in the sample (n=217)

<table>
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<td>1.8</td>
</tr>
<tr>
<td>Total</td>
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</table>

After collapsing the participants’ age, it emerged that the largest group of participants (43.3%; n=94) were aged between 30 and 45 years. It could thus be that the least participants in terms of age is around (1.8%; n=4). As illustrated in Table 6.5, participants by the sample of participants equated to (30.4%; n=66) for participants of 46-64 years. A meagre of (24.4%; n=53) for participants ageing from 18-29. CHE (2016:296-299) acknowledges the rapid massification in many contexts has led not only to existing academic complements being stretched ever more thinly across more students, but also to the related challenge of replacing ageing academics with a new generation of young academics.

Similarly, in South Africa it is feared that there are insufficient numbers in the existing academic and postgraduate pipelines to replace the retiring cohorts (ASSAf, 2010:45). This has given rise to a realisation that individual institutional programmes, such as those mentioned above, are to develop new generations of academics which will not be adequate. Instead, policy documents such as the White Paper of 2013 acknowledge the need for stimulation at a national level to increase the pool of young academics, and a national programme towards this end has been developed (DHET,
2013). CHE (2016:296) attests that there has also been an apparent increase in contract appointments of retirees, given that 7.3% of the entire academic population in 2012 comprised of 6% of academic staff were over the age of 60, but by 2012 this had increased to 10%.

6.6.3. Highest educational qualification

Table 6.6 The frequencies of qualifications in the sample (n=217)

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<td>217</td>
<td>100%</td>
</tr>
</tbody>
</table>

The qualifications of the sample participants is shown in both Table 6.6 and Figure 6.1. Additionally, approximately 30.41% (n=66) of the participants were in possession of a Master’s degree. The majority of the participants reported that they are in possession of B-Tech (16.59%; n=36).
The results further indicate that 15.67% (n=34) of the participants hold an Honors Degree and M-Tech degree. Only 17.97% (n=39) of participants hold a PhD; 3.69% (n=8) hold a D-Tech qualification. HESA (2014:6) reveals that only 34% of academics have doctoral degrees, which is generally a prerequisite for undertaking high quality research and supervising doctoral students. The small number of academics with doctoral degrees impact on the research performance of universities is highly uneven, with 10 universities producing 86% of all research and 89% of all doctoral graduates (HESA, 2014:6). CHE (2016:310) revealed that of the 17 451 permanently employed academics in South African universities in 2012, only 39% had doctoral qualifications, and that the highest qualification of 4 753 (27%) of these academics was below a Master’s degree. This highlights not only the diversity of the system, but also its unequal and differentiated nature. The existence of academic staff members with their highest qualifications being certificates, diplomas and postgraduate diplomas may be the residue of practices in the technikon sector, which did not require degrees for teaching in those institutions. CHE (2016:311) points out that from a knowledge production and policy perspective, it is clear that improving the qualifications among academics is a priority if South Africa is to be a knowledge producer rather than a
knowledge consumer. Hence, ASSAf (2012:38) affirms that the development of a country’s postgraduate education system is beneficial for knowledge production but has economic and development implications too. If a nation does not have sufficient numbers of adequately educated and trained workers, either:

a) It will need to increase the PhD production of knowledge workers (as has happened in Europe, Asia, Australia and New Zealand), however, this is costly, and time-consuming; or

b) Governments will need to liberalise short-term immigration of highly skilled labourers, bringing skilled workers to capital and technology.

6.6.4. Number of years you have been with your present employer

The duration of employment period (tenure) of the sample participants is shown in Table 6.7 and Figure 6.2. The highest percentage reported was those in employment from 7-15 years of service with (30.4%; n=66).

Table 6.7 Frequencies of years of service with present employer (n=217)

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>29</td>
<td>13.4%</td>
</tr>
<tr>
<td>1-4 years</td>
<td>62</td>
<td>28.6%</td>
</tr>
<tr>
<td>5-7 years</td>
<td>58</td>
<td>26.7%</td>
</tr>
<tr>
<td>7 – 15 years</td>
<td>66</td>
<td>30.4%</td>
</tr>
<tr>
<td>Total</td>
<td>217</td>
<td>100</td>
</tr>
</tbody>
</table>

The majority of participants reported that they have been employed for 1-4 years, which equated to (28.6%; n=62). The data further reported significant portion of the sample participants of (26.7%; n=58) for employees with 5-7 years in the employment at the university; a mere (13.4%; n=29) of the sample participants with less than 1 year employment service.
6.6.5. Occupation of the sample participants

With regard to the position occupied, the largest group of participants (88.5%; n=192) were lecturers, followed by senior lecturers (7.4%; n=14), with associate professors (0.5%; n=1) being the smallest number. There is an absolute scarcity of researchers and this is a new and emerging occupation within South African universities of technology (Nieuwenhuizen, 2009:310). Badat is in agreement with Naidu and Govender (2004:5), who predicted an increasing shortage of academic staff at South African HEIs due to the “brain drain” and more attractive options in the private sector. Therefore, the public and private sectors, together with emigration, yield a powerful pull of current academics as well as Master’s and Doctoral graduates.
Table 6.8 The frequencies of the present post (n=217)

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecturer</td>
<td>192</td>
<td>88.5%</td>
</tr>
<tr>
<td>Senior lecturer</td>
<td>16</td>
<td>7.4%</td>
</tr>
<tr>
<td>Head of Department</td>
<td>5</td>
<td>2.3%</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>1</td>
<td>0.5%</td>
</tr>
<tr>
<td>Full Professor</td>
<td>3</td>
<td>1.4%</td>
</tr>
<tr>
<td>Total</td>
<td>217</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

This situation results in a minimal flow of highly qualified graduates from the private and public sectors to HEIs, to the detriment of the institutions, the economy and society. A second challenge would be to ensure that the next generation of academics possess the teaching and learning capabilities essential to produce high quality graduates and to enhance equity of opportunity and outcomes for students (Badat, 2008; Pienaar and Bester, 2008; Simmons, 2002).

According to HESA (2014:7), Post-1994, South African universities have needed to confront two challenges. The first challenge is to reproduce and retain the next generations of academics. The large increase in student enrolments over the past 20 years “has not been accompanied by an equivalent expansion in the number of academics” (DHET, 2013:35). Expanding higher education enrolments and the establishment of new universities mean that a larger academic workforce is required. A failure to invest in and cultivate the next generations of high quality academics will have far-reaching consequences. Social equity and redress and the pace and extent of the deracialisation and degendering of the academic workforce will be compromised. The quality of academic provision will be increasingly debilitated, with consequences for the capabilities of universities to produce high quality graduates and knowledge. The goal of transforming and developing South African universities, including enhancing their teaching and research capabilities will be constrained.
The ability of universities to contribute to development and democracy through new generations of outstanding scholars committed to critical and independent scholarship and social justice will be hampered. The greater inclusion of blacks and women in knowledge production, a necessary condition for epistemological transformations, will be delayed.

6.7. VALIDITY TESTS OF THE MEASUREMENT MODEL

According to Welman, Kruger and Mitchell (2005:145), reliability measures the ability of the data collection instrument and methods used to obtain accurate and consistent results. Gray (2009:155) asserts that reliability is concerned with how well the construct\variable is being measured. The primarily objective of this study was to develop and validate a measuring scale for employee rewards in South Africa. Hence, reliability and validity of the scale are of absolute significance to this research. Composite reliability (CR), average variance extracted (AVE) and the correlation coefficients were computed to determine the reliability and validity of the scale. The CR similar to the Cronbach alpha reliability is set 0.700 for a good reliability of a scale.
6.7.1. Convergent validity

The assessment of convergent validity was conducted by checking item loadings for research construct. Completely standardised loadings, VE and CR were considered to assess the convergent and discriminant validity of the employee rewards scale. Completely standardised loadings of > 0.5, VE of > 0.5 and CR of > 0.7 were used as criteria for establishing convergent validity as per recommendations in the literature (Hair, et al., 2014:166). As indicated in Table 6.9, factor loadings ranged from 0.4 to 0.6. Based on this, the first criterion for convergent validity on these dimensions was met. The CR results were above the cut off 0.700 level, suggesting a good internal consistency of the scale. It must be borne in mind that the Cronbach alpha reliability, of the all the factors extracted that constituted the scale, were above 0.8, which portrays very good reliability (Hair, et al., 2010:166). In terms of validity, the AVE above 0.50 indicates evidence of discriminant validity of the scale (Malhotra, 2010:734). In addition, an average inter-item correlation of the scale fell within the 0.15 and 0.50 range suggesting convergent and discriminant validity (Clark and Watson, 1995:316). Most factor loadings of the items had absolute value scores >0.5.

Furthermore, the validity of the measuring model is regarded well when:

- convergent validity is good when the AVE coefficient above the threshold of 0.5; and
- discriminant validity is good when the MSV coefficient is lower than the AVE coefficient. Table 6.9 below summarise the reliability and validity coefficients of the scales.
Table 6.9 Validity of the measurement model

<table>
<thead>
<tr>
<th></th>
<th>Cronbach Alpha</th>
<th>Composite Reliability (CR)</th>
<th>Convergent validity (AVE)</th>
<th>Discriminant validity (MSV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction</td>
<td>.669</td>
<td>0.672</td>
<td>0.548</td>
<td>0.552</td>
</tr>
<tr>
<td>Compensation</td>
<td>.942</td>
<td>0.937</td>
<td>0.683</td>
<td>0.058</td>
</tr>
<tr>
<td>Talent development and career opportunity</td>
<td>.903</td>
<td>0.900</td>
<td>0.565</td>
<td>0.552</td>
</tr>
<tr>
<td>Benefits</td>
<td>.726</td>
<td>0.787</td>
<td>0.506</td>
<td>0.039</td>
</tr>
<tr>
<td>Performance management and recognition</td>
<td>.863</td>
<td>0.865</td>
<td>0.616</td>
<td>0.350</td>
</tr>
<tr>
<td>Organisational Commitment</td>
<td>.755</td>
<td>0.747</td>
<td>0.518</td>
<td>0.326</td>
</tr>
<tr>
<td>Work Life Balance</td>
<td>.859</td>
<td>0.872</td>
<td>0.637</td>
<td>0.138</td>
</tr>
</tbody>
</table>

Although there is a minor concern regarding the convergent and discriminant validity of “Job Satisfaction”, the overall result indicates an acceptable reliability (Cronbach alpha and composite reliability above .6); the validity (convergent and discriminant) of all the other scales involved in the measurement model is also good. Discriminant validity implies that each construct in the measurement model measures a different concept; in other words, there are no constructs which are identical in the measurement model, while convergent validity means that the instruments used to measure each construct are appropriate. Based on the factor loadings cutoff as recommended by Peterson (2000:264), factor loading of >0.5 and items that loaded onto one factor were considered practically significant. Factors with two or less items loading onto them were not considered for further analysis.
6.7.2. Discriminant validity

Another approach used to test for discriminant validity of the research constructs was the evaluation of whether the correlations among latent constructs were less than 1.0. As indicated in Table 6.10, the inter-correlation values for all paired latent variables were lower than 1.0, therefore positing the presence of discriminant validity. All the latent variables had values less the recommended 0.7 (Nunnally and Bernstein, 1994:138). Determining the relationships amongst the constructs of this study, namely, employee rewards, job satisfaction and organisational commitment formed the objective of the study. In order to address these objectives, correlations among dimensions were calculated. Table 6.10 provides the correlation among the constructs, while employee rewards construct consists of compensation, benefits, work-life balance, performance management and recognition and talent development and career opportunities, job satisfaction and organisational commitment.

Table 6.10 Correlation matrix

<table>
<thead>
<tr>
<th></th>
<th>Com</th>
<th>WLB</th>
<th>Ben</th>
<th>Per</th>
<th>CarO</th>
<th>JS</th>
<th>OC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Com</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WLB</td>
<td>0.059</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ben</td>
<td>0.15*</td>
<td>-0.083</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per</td>
<td>0.124</td>
<td>0.396***</td>
<td>-0.06</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CarO</td>
<td>0.126</td>
<td>0.082</td>
<td>0.112</td>
<td>0.402***</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JS</td>
<td>0.253*</td>
<td>0.253*</td>
<td>0.06</td>
<td>0.603***</td>
<td>0.747***</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>OC</td>
<td>0.168*</td>
<td>-0.09</td>
<td>0.216*</td>
<td>0.277***</td>
<td>0.4***</td>
<td>0.583***</td>
<td>1</td>
</tr>
</tbody>
</table>

**indicates significant relationship at the level 0.0001**
Pearson’s correlation coefficient ($r$) was used to analyse the bivariate relationship between the constructs, namely, employee rewards, job satisfaction and organisational. In assessing the size of the correlation coefficients, Cohen’s d-measure of effect sizes was used to measure the importance of an effect. The size of the effect, as suggested by Hair, *et al.*, (2013:312) is outlined below:

- $r = 0.10 - 0.29$ (small effect)
- $r = 0.30 - 0.49$ (medium effect)
- $r = 0.50 - 1.00$ (large effect)

On inspection of each pair of correlation, Pearson’s correlation coefficient at $p<0.01$ level of significance, indicate a positive linear association between each of the dimensions and constructs, suggesting nomological validity (Hair *et al.*, 2010:710). The correlations below .05 indicate no significant. Table 6.10 above indicates an acceptable level of correlations (estimates less than .8) among constructs, which is consistent with discriminant validity results found earlier. The table clearly indicates that all the correlations are not significant at 95% confidence interval. This level of correlation means that each construct in the model is measuring a different thing. Based on this information, the discriminant validity is accepted.

### 6.8. MULTIVARIATE ANALYSIS

In this section, data analysis results are reported, such as (1) Confirmatory factor analysis to test validity of the measuring model, (2) SEM (Structural equation modelling) to test the casual direct / indirect relationship among constructs.
6.8.1. Confirmatory factor analysis (CFA)

The main objective of this analysis is to investigate the influence of the components of total rewards on job satisfaction and organisational commitment. The present study tests the measurement model (confirmatory factor analysis), which aims to assess the validity of the research instruments; the present study also develops and examines the structural model, which aims to test the research hypotheses. Confirmatory factor analysis (CFA) is a statistical technique used to verify the factor structure of a set of observed variables (Durr, 2006:1). CFA allows the researcher to test the hypothesis that a relationship between observed variables and their underlying latent constructs exists. The researcher used knowledge of the theory, empirical research, or both, postulates the relationship pattern a priori and then tests the hypotheses statistically.

Confirmatory factor analysis (CFA) is a powerful statistical tool for examining the nature of and relations among latent constructs (e.g., attitudes, traits, intelligence, clinical disorders). In contrast to its analytic cousin, exploratory factor analysis, CFA explicitly tests a priori hypotheses about relations between observed variables (e.g., test scores or ratings) and latent variables or factors (Jackson, Gillaspy and Purc-Stephenson, 2009:6). CFA is often the analytic tool of choice for developing and refining measurement instruments, assessing construct validity, identifying method effects, and evaluating factor invariance across time and groups (Brown, 2006:1). Thus, CFA is a useful application for investigating issues of interest to most psychological researchers. Since the late-1990s, there has been a positive trend in the use of CFA, with most applications being in the area of scale development and construct validation (Brown, 2006:2). Thus, the researcher must have a firm a priori sense, based on past evidence and theory, of the number of factors that exist in the data, of which indicators are related to which factors, and so forth. In addition to its greater emphasis on theory and hypothesis testing, the CFA framework provides many other analytic possibilities that are not available in EFA. These include the evaluation of method effects and the examination of the stability or invariance of the factor model over time or informants.
6.8.1.1 Results of the confirmatory factor analysis

The confirmatory factor analysis (or measurement model) was performed using the Structural Equation Modelling (SEM) approach, AMOS.24 was the package used to run the SEM analysis. The purpose of the CFA in SEM analysis is to test the structure of the scale (or constructs) and assess the validity of the instruments used. The results of the scale are presented in Figure 6.4 below.

Figure 6.4 Measurement model (CFA) of the proposed model

6.8.1.2 Model specification

The structure model consists of seven constructs items, namely:

- Compensation (Com)
- Benefits (Ben)
- Work-life balance (WLB)
- Performance management and recognition (Per)
- Talent development and Career opportunities (CarO)
- Job satisfaction (JS), and
- Organisational commitment.

Each one of these constructs is measured through various numbers of valid items. For example, initially, the construct Job Satisfaction has 14 items but only three items [(JS3), (JS6) and (JS8)] were found valid in the South African context; in other words, the remaining 11 were not converging toward the construct Job Satisfaction in the South African context. The measurement contribution of each item in the construct is indicated by its factor loading; any factor loading above .5 is an acceptable loading, while anything below .5 indicates a low factor loading. According to the measurement model above, the item (JS3) measures Job Satisfaction at 57%, (JS6) measures Job Satisfaction at 61% and the item (JS8) measures Job Satisfaction at 73%. Since there is always a margin of error when measuring abstract constructs, an error term is always associated with the items. In the case of Job Satisfaction, e45 is the error term of the item (JS3), e51 the error term of (JS6) and e53 the error term of the item (JS8). The coefficients situate between the items and the error terms [e.g: JS3 (.33); JS6 (.38) and JS8 (.53) indicate the variance explained of each item (this is not really relevant when reporting on the measurement model). The coefficients of double-headed arrows indicate the bivariate correlation coefficients between constructs. For example, the correlation coefficient between benefits and work-life balance is - .08; meaning when one of these two variables increases of 1 standard deviation, the other variable decreases of 8% of its standard deviation. The correlation table will later specify whether this correlation is significant or not. It is more convenient to analyse the correlations in the measurement model based on the correlation table. Considering that the purpose of the measurement model is to assess the validity of the scales in South Africa, the next section examines the components of construct validity which are the reliability, the convergent validity and the discriminant validity.

6.8.1.3 Model estimation

The data for the model was entered in AMOS 24 using ML estimation technique and AMOS Graphi was used to draw measurement and structural paths collectively in the model, as shown in Figure 6.4. There are 33 regression weights and they are all
estimates; these are regression weights, shown in Table 6.11. A problem that may be encountered in CFA includes the estimation of parameters that are logically impossible, such as a negative error variance (also named the Heywood case). Negative error variance is logically impossible as it implies a less than zero percent error in an item and more than 100 percent of the variance is explained. Additionally, an illogical standardised parameter estimation that exceeds 1.0 is theoretically impossible and probably indicates a problem in the data (Hair, et al., 2014:615). This means that the estimated values are nonsensical. Hair, et al. (2014:614) suggested that the researcher must rather not provide results since SEM programmes will complete estimation process in spite of these issues. As shown in Table 6.11, there is no negative error variance and no standardised parameter estimation which exceeds the value of 1.00 in model 1.

### Table 6.11 Factor loadings

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Com</td>
<td>0.856</td>
</tr>
<tr>
<td>C2</td>
<td>Com</td>
<td>0.923</td>
</tr>
<tr>
<td>C3</td>
<td>Com</td>
<td>0.918</td>
</tr>
<tr>
<td>C4</td>
<td>Com</td>
<td>0.797</td>
</tr>
<tr>
<td>C6</td>
<td>Com</td>
<td>0.765</td>
</tr>
<tr>
<td>C7</td>
<td>Com</td>
<td>0.75</td>
</tr>
<tr>
<td>C10</td>
<td>Com</td>
<td>0.825</td>
</tr>
<tr>
<td>B1</td>
<td>Ben</td>
<td>0.794</td>
</tr>
<tr>
<td>B2</td>
<td>Ben</td>
<td>0.827</td>
</tr>
<tr>
<td>B3</td>
<td>Ben</td>
<td>0.79</td>
</tr>
<tr>
<td>B6</td>
<td>Ben</td>
<td>0.288</td>
</tr>
<tr>
<td>WLB3</td>
<td>WLB</td>
<td>0.935</td>
</tr>
<tr>
<td>WLB4</td>
<td>WLB</td>
<td>0.882</td>
</tr>
</tbody>
</table>
Table 6.11 above shows that all the items have good loading (because the estimates are above >.5) in their respective constructs. They are also all significant 99% interval; which also implies that the instruments used are good measures.
6.8.1.4 Assessment of goodness-of-fit indices

According to Hair, et al. (2014:651), structural model fit is assessed as was the CFA model fit. Good practice dictates that more than one fit statistic be used. It is suggested to the researcher that one absolute index, one incremental index and the model $X^2$ be used at a minimum. The results of the goodness-of-fit model was run and had the following results; Chi-square ($\chi^2$/df) = 1.718, Goodness of Fit Index (GFI) = 0.805, Comparative Fit Index (CFI) = 0.912, Tucker Lewis Index (TLI) = 0.902 and Random Measure of Standard Error Approximation (RMSEA) = 0.060. These results are depicted in Table 6.12 below.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square/df (cmin/df)</td>
<td>&lt; 3 good; &lt; 5 sometimes acceptable</td>
</tr>
<tr>
<td>CFI</td>
<td>&gt;.80 sometime acceptable; &gt;.90 good</td>
</tr>
<tr>
<td>GFI</td>
<td>&gt;.80 sometime acceptable; &gt;.90 good</td>
</tr>
<tr>
<td>TLI</td>
<td>&gt;.80 sometime acceptable; &gt;.90 good</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt;.05 good; .05 to .1 moderate; &gt;.1 bad</td>
</tr>
</tbody>
</table>


The Chi-square of the measurement model is 819.556, Degrees of freedom = 477 and its P value is (.000). The chi-square test ($X^2$) is viewed as an overly strict indicator of model fit, given its power to detect even trivial deviations from the proposed model (Hancock and Mueller, 2010). Mueller (1996) suggested that the chi-square test statistic be divided by degrees of freedom where an acceptable level is observed at <3. Interpretation of the size of this value depends largely on the viewpoint of the investigator, but in practice, some interpret ratios as high as three, four or even five as still representing a good model fit (Mueller, 1996). All the competing models exhibited good model fit with regard to the chi-square test.
The indices used to assess the goodness-of-fit of the structural models include incremental fit index (IFI), Tucker Lewis index (TLI) and comparative fit index (CFI). Indices values closer to one indicate a perfect fit and those closer to zero represent no fit (Malhotra, 2010:731-733; Hair, et al., 2010:651-657). With regard to root mean square error of approximation (RMSEA), there is a good model fit if RMSEA is less than or equal to 0.05 and an adequate fit if RMSEA is less than or equal to 0.08 (Blunch, 2008). Blunch (2008) is of the view that models with RMSEA values of 0.10 and larger should not be accepted. When comparing Table 6.12 to Table 6.13 presented above, we can conclude that the structural model fits the data acceptably. These results support the following conclusion. The relationship illustrated in the measurement model (Figure 6.4) fit the data and are satisfactory. The instruments used in the measurement model are reliable and valid. Since an acceptable CFA measurement model fit was obtained, the present study proceeded to the hypotheses testing stage using structural modelling with AMOS 24 software program.

### 6.8.2. STRUCTURAL MODEL

In the initial hypothesised structural model (Figure 6.5) depicted below, structural equation modelling with maximum likelihood was performed in AMOS 24. Some relationships were missing in the proposed model; consequently it could not fit the data.
Details of regression weights and correlation coefficients displayed on the structural model (Figure 2) are provided in the tables below. The Chi-square of the structural model is 11.021, Degrees of freedom = 8 and its P value is .201.

6.8.2.1 Hypothesis relationship

After obtaining a satisfactory model fit, the researcher tests the research hypotheses (previously explained in Section 6.6.1.3). Each path in the structural model between the latent variables represents a specific hypothesis. Hypotheses are usually tested in the form of a null hypothesis $H_0$ where no relationship exists or estimate equals zero. The null hypotheses, is either not rejected or rejected depending on the significance level (P value) of the standardised coefficient of research parameters. If that P value is less than the significant level (i.e. $P \leq 0.1$) we have evidence to reject the null hypothesis, and if the P value is greater than the significant level (i.e. $P > 0.1$), we have no evidence to reject the null hypothesis (Pallant, 2013:250). The levels of significance that are employed in the current study are: $\leq 0.1$, $\leq 0.05$, $\leq 0.01$ and $\leq 0.001$. The lower the significance level, the more the data must deviate from the null
hypothesis (estimate equals zero). Therefore, the 0.001 level is more conservative than the 0.01 level. In this study, a significance level less than 0.1 (P ≤0.1) is considered a weak significance level (some studies employed this value as acceptable significant level such as those by Samson and Terziovski, 1999; Ahire and Dreyfus, 2000; Kaynak, 2003; Zu, Fredendall and Douglas, 2008), ≤ 0.05 is considered acceptable significance level, while ≤ 0.01 is considered strong significance level, and ≤ 0.001 is considered a high significance level.

According to the proposed research model, there are eleven hypotheses representing the proposed relationships among research variables (see Figure 6.5). Structural equation modelling using AMOS 24 is employed to test the hypothesis (estimate equals zero) of these relationships (between the latent factors) as shown in Figure 6.8. Those relationships represent the likely direct and indirect relationships between constructs. Table 6.13 presents selected output from AMOS 24 showing the hypotheses, standardised (estimates) regression weights, the P-value, and whether the hypothesis is supported or rejected. This information was used in the interpretation of the paths between the variables as illustrated below:

- H₁ Compensation has a positive and significant effect on Job Satisfaction
- H₂ Performance has a positive and significant effect on Job Satisfaction
- H₃ Work Life Balance has a significant effect on Job Satisfaction
- H₄ Career Opportunity has a positive and significant effect on Job Satisfaction
- H₅ Benefit has a significant effect on Job satisfaction
- H₆ Job Satisfaction has a positive and significant effect on Organisational Commitment
- H₇ Compensation has a significant effect on Organisation Commitment
- H₈ Performance has a significant impact on Organisation Commitment
- H₉ Benefit has a positive and significant effect on Organisational Commitment
$H_{10}$ Work life Balance has a negative and significant effect on Organisational Commitment

$H_{11}$ Career Opportunity has a positive and significant impact on Organisational Commitment

Figure 6.5 depicts the regression path estimates for the structural model. Details of regression weights and correlation coefficients displayed on the structural model (Figure 6.5) are provided on the tables below. The Chi-square of the structural model is 11.021, Degrees of freedom = 8 and its P value is .201. The results of the structural equation model analysis is presented in Table 6.13. The beta (estimates) coefficients of the various relationships in the structural model (regression weights) as well their p values. Table 6.13 indicates that some relationships are significant because their p values are less than 0.5 and others are not.
Table 6.14 Results of structural equation model analysis

<table>
<thead>
<tr>
<th>Proposed relationship hypothesis</th>
<th>Hypothesis</th>
<th>Factor Loading</th>
<th>P Value</th>
<th>Support / Rejected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation has a positive and significant effect on Job Satisfaction</td>
<td>H₁</td>
<td>0.116</td>
<td>0.031</td>
<td>Compensation has a positive and significant effect on Job Satisfaction</td>
</tr>
<tr>
<td>Performance has a positive and significant effect on Job Satisfaction</td>
<td>H₂</td>
<td>0.27</td>
<td>***</td>
<td>Performance has a positive and significant effect on Job Satisfaction</td>
</tr>
<tr>
<td>Work Life Balance have a significant effect on Job Satisfaction</td>
<td>H₃</td>
<td>0.027</td>
<td>0.635</td>
<td>Work Life Balance does not have a significant effect on Job Satisfaction</td>
</tr>
<tr>
<td>Career Opportunity has a positive and significant effect on Job Satisfaction</td>
<td>H₄</td>
<td>0.489</td>
<td>***</td>
<td>Career Opportunity has a positive and significant effect on Job Satisfaction</td>
</tr>
<tr>
<td>Benefit a significant effect on Job satisfaction</td>
<td>H₅</td>
<td>0.013</td>
<td>0.81</td>
<td>Benefit does not have a significant effect on Job satisfaction</td>
</tr>
<tr>
<td>Job Satisfaction has a positive and significant effect on Organisational Commitment</td>
<td>H₆</td>
<td>0.248</td>
<td>0.002</td>
<td>Job Satisfaction has a positive and significant effect on Organisational Commitment</td>
</tr>
<tr>
<td>Compensation have a significant effect on Organisation Commitment</td>
<td>H₇</td>
<td>0.07</td>
<td>0.272</td>
<td>Compensation does not have a significant effect on Organisation Commitment</td>
</tr>
<tr>
<td>Performance have a significant impact on Organisation Commitment</td>
<td>H₈</td>
<td>0.095</td>
<td>0.201</td>
<td>Performance does not have a significant impact on Organisation Commitment</td>
</tr>
<tr>
<td>Benefit has a positive and significant effect on Organisational Commitment</td>
<td>H₉</td>
<td>0.163</td>
<td>0.009</td>
<td>Benefit has a positive and significant effect on Organisational Commitment</td>
</tr>
<tr>
<td>Work life Balance has a negative and significant effect on Organisational Commitment</td>
<td>H₁₀</td>
<td>0.133</td>
<td>0.045</td>
<td>Work life Balance has a negative and significant effect on Organisational Commitment</td>
</tr>
<tr>
<td>Career Opportunity has a positive and significant impact on Organisational Commitment</td>
<td>H₁₁</td>
<td>0.168</td>
<td>0.031</td>
<td>Career Opportunity has a positive and significant impact on Organisational Commitment</td>
</tr>
</tbody>
</table>

*** indicates significant relationship at the level 0.0001
According to Table 6:13, there are only three variables that impact on job satisfaction; these variables are compensation, performance and career opportunity. All three variables have a positive and significant influence on job satisfaction because their P values are above .05 and their estimates are positive. The other two variables in red (work life balance and benefit) were found to have no significant effect on job satisfaction. With regard to organisational commitment, three components of total reward were also found to have a significant effect; these predictors are benefit, work life balance and career opportunity. Career opportunity and benefit were found to be positively related to organisational commitment, while work life balance was negatively related to organisational commitment. Finally, job satisfaction was also found to have a positive and significant effect on organisational commitment. Interestingly, career opportunity is the strongest predictor of job satisfaction, while job satisfaction is the strongest predictor of organisation commitment. The model explains up to 42% of the variance of job satisfaction and explains up to 21% of the variance of organisation commitment.

6.9. MODEL FIT RESULTS

The assessment of the proposed structural model proceeded using the same data. The Chi-square of the structural model is 1.378 and its P value is .201. The ratio of chi-square over degree-of-freedom was 1.898. This value is less than the recommended threshold of less than 3.0 and therefore, confirms the model fit (Chinomona, 2011:13). The GFI, CFI, TLI, IFI and RMSEA values were 0.985, 0.986, 0.962, 0.971, and 0.043. These results are also depicted on Table 6.14 below.

Table 6.15 Model fit indices

<table>
<thead>
<tr>
<th>Model fit criteria</th>
<th>Chi-square ($\chi^2$/df)</th>
<th>GFI</th>
<th>CFI</th>
<th>IFI</th>
<th>TLI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator value</td>
<td>1.378</td>
<td>.985</td>
<td>.986</td>
<td>.971</td>
<td>.962</td>
<td>.043</td>
</tr>
</tbody>
</table>

The model fit measures exceeded the recommended acceptable threshold of 0.8 for GFI, CFI, TLI and for RMSEA the model fit was lower than the recommended threshold of 0.08 (Bentler and Bonett, 1980; Bollen, 1989; Baumgartner and Hombur 1996;
Byrne 1998; Hu and Bentler, 1999; McDonald and Ho, 2002; Hooper, Coughlan and Mullen, 2008; Chinomona, 2011). These results suggest that the proposed structural model converged satisfactorily and could represent the underlying empirical data structure collected at the selected universities of technology.

6.10. DISCUSSION OF HYPOTHESIS TESTING RESULTS

Figure 6.5 and Table 6.13, all hypothesis coefficients were at least at a significant level at the level 0.0001. Hypotheses (H1, H2, H4, H6, H9, H10 and H11) posited a positive and significant relationship among constructs. Therefore, all these hypotheses were supported. Hypothesis 1 (H1), compensation has a positive and significant effect on job satisfaction. This hypothesis was supported, therefore indicating that compensation influences job satisfaction among academic staff. Tabatabaei and Farazmehr’s (2015:188) study revealed that there is a positive and significant relationship between compensation and job satisfaction among academic staff. Moreover, Machado-Taylor, Soares, Brites, Ferreira, Farhangmehr, Gouveia and Peterson (2016:550) found that academics were most satisfied with the opportunity to use their own initiative, with relationships with their colleagues, and with the actual work; they were least satisfied with promotion prospects and salary. Marcado-Taylor, Soares, Ferreira and Gouveia (2010:35) affirm that dissatisfaction stems from inadequate and non-competitive salaries and further lack of job satisfaction due to non-monetary reasons. Mustapha (2013:246) indicates that a remuneration system plays a significant role in determining an employee’s level of job satisfaction in higher education institutions. This factor also involves the degree to which individuals are considering fair compensation they receive for their work, when compared to the earnings received by the other members of the organisation. Salary has a significant effect on the job satisfaction. Therefore, researchers notice that in Europe intrinsic factors such as job rank level, career are the predictors of higher job satisfaction among employees. On the other hand, in USA high-job satisfaction is influenced by the issues related to teaching. In private universities salary, promotion opportunities and working conditions have the highest impact on job satisfaction (Amzat and Idris, 2012). Toker (2011) finds the satisfaction with compensation, supervision, salary,
fringe benefits are evaluated lowest by the academics. Moreover, Ombima’s (2014:54) study cited that better pay and incentives as the key reasons for working for USIU. Most academics are satisfied with their jobs at United States International University. Findings for the economical factors affecting employee job satisfaction indicated that on average employees agree that their salary is paid on time, which makes them comfortable while at the same time they tend to agree that their salary does not match with the cost of living in the country (Ombima, 2015:55).

Hypothesis 1 ($H_2$), performance has a positive and significant effect on job satisfaction. This hypothesis was supported, indicating that effective performance management will lead to job satisfaction among academic staff. These results are in line with the study of Noordin and Jusoff (2009:125) who found that job satisfaction has significant impact on academics’ excellent performance, high commitment, and low turnover. Joshua (2008:5) asserts that organisational researchers have attached a high level of importance to job satisfaction. Obviously, the level of job satisfaction of these individual employees will impact significantly on performance at these institutions. Mosadeghad and Yasmohammadian (2006:12) concur that organisations are social systems where human resources are the most important factors for effectiveness and efficiency. Organisations cannot succeed without their personnel efforts and commitment. The highly satisfied academics are expected to have a better performance in education. Job satisfaction of academic staff in higher education institutions is important because it influences their motivation and performance that are very influential in delivering quality education services. Achieving organisational goals and objectives depends on the managers' ability to influence employees' attitudes toward their jobs. Job satisfaction among academic staff is critical in higher education. Daft (2009:271) emphasises that managers of knowledge workers often have to rely on job satisfaction to keep both motivation and enthusiasm for the organisation at a high level.
Kreitner and Kinicki (2008:175) state that there is a significant relationship between job satisfaction and job performance. Luthans (2005:125) states that although there is supporting research evidence on a causal direction, showing that job satisfaction influences performance rather than vice versa, there seem to be many possible moderating variables, for an example, rewards. Employees will thus be satisfied if they receive equitable rewards, which are likely to lead to greater performance efforts. Armstrong (2009:344) concurs that it is a commonly held and a seemingly not unreasonable belief that an increase in job satisfaction will result in improved performance. But research has not established any strongly positive connection between satisfaction and performance. Baghaei (2007:142) who found a correlation of satisfaction to absenteeism is also proved conclusively. Employees who are dissatisfied are more likely to take “mental health” days, i.e. days off, not due to illness or personal business: simply stated, absenteeism is high when satisfaction is low. Ntisa’s (2015:122) study revealed that there is significant negative relationship between absenteeism and job satisfaction, which results badly on work performance. This implies that academics will perform poorly and absent themselves if they are not satisfied with their jobs.

Hypothesis 4 (H₄), career opportunity has a positive and significant effect on job satisfaction. The hypothesis is accepted. Naseem and Salman (2015:5) indicated a constructive relationship between job satisfaction and promotion criterion. According to many researchers, if the promotion criterion is fair and promotion opportunities are available to the employees, they are more prompted and eager to perform in an organisation. However, Vuong and Duong (2013:15) reported that both male and female faculty members were more satisfied with career promotion, the development aim of school, colleagues’ social relationship, and working autonomy. Career opportunities are very important for academic members since it is a predictor for job satisfaction of academic members in the higher education sector. Further, their findings showed that most academic members at Vietnamese universities were satisfied with career opportunities (Vuong and Duong, 2013:16). Malik, Danish and Munir’s (2012:8) study revealed that career opportunities have an influence on job satisfaction. Therefore, promotion has less explanatory power because beta coefficient of this variable is not significant, which is why it is directly related to job
satisfaction although its impact is not significant. Ismael (2012:58) recommended that managers should motivate employees to be more helpful, considerate, friendly and good-natured to their co-workers and supervisors, because this would increase the employees’ job satisfaction and may motivate the urge to assist other co-workers. Indeed, providing sufficient opportunity for promotion to employees would significantly increase job satisfaction because promotions reflect valued signals about a person’s self-worth.

However, hypothesis three, five, seven and eight (H₃, H₅, H₇ and H₈), work-life balance have a significant effect on job satisfaction; benefit a significant effect on job satisfaction; that compensation does not have a significant effect on organisation commitment, while performance does have a significant impact on organisation commitment. These hypotheses have been rejected. This implies that in a South African context, work-life balance, fringe benefits and compensation do not have a correlation with job satisfaction and are not significant, which the research reveals. These results mirror the findings of Noor’s (2011:293) study, which found that work-life balance satisfaction shows a positive significant correlations with job satisfaction (r= 0.43, p ≤ 0.01) and with organisational commitment (r= 0.36, p ≤ 0.01). However, perceived work-life balance satisfaction shows a negative significant correlation with intention to leave (r= -0.38, p ≤ 0.01). Therefore, hypothesis three is rejected where work-life balance satisfaction were negatively correlated.

According to the hypothesis five (H₅), benefits have a significant effect on job satisfaction. The test was performed and thus the hypothesis is rejected. These results are in line with the study of Mbundu (2011:65), which reported that fringe benefits were not correlated with job satisfaction. Moreover, Moloantoa (2015:81) revealed that fringe benefits are not significantly related to job satisfaction among academic staff. The results of Moloantoa (2015:820) further indicated that fringe benefits is not the predictor of job satisfaction.
Hypothesis 7, (H7), compensation has a significant effect on organisation commitment. The hypothesis is not supported in the South African context. However, the study of Eslami and Gharakhani (2012) reported strong association between job-related factors, which include compensation and organisational commitment. Work-job related features are powerfully related to organisational commitment (Kahtani, 2012). Saeed, Nayyab, Lodhi, Baqir, Rehman and Mussawar (2013:543) reported that compensation and job characteristics have a weak positive and significant impact on organisational commitment but career development has insignificant impact on organisational commitment. F value is 9.43 that is greater than 5 and shows the goodness of model fit.

Hypothesis 8, (H8), performance management has a significant impact on organisational commitment. The test was performed and revealed that performance management does not have any significant effect on organisational commitment. The results p value 0.201, which indicate not a significant association between performance management and organisational commitment in a South African context.

Hypothesis 6, (H6), job satisfaction has a positive and significant effect on organisational commitment. The hypothesis is accepted. This implies that if academics are satisfied with their jobs their level of commitment to the organisation is positive. Onn’s (2012:97) study revealed a significant relationship between job satisfaction and organisational commitment. The study also indicated that the relationship correlation is positive. When academic staffs are highly satisfied with their job, it subsequently enhances commitment in an institution (Onn, 2012:97). The result generated is consistent with Yogesh, Shiv and Shilpy (2010) who found the significant correlation between job satisfaction and organisational commitment. Malik, Nawab, Naeem and Danish (2010:21) confirmed that the job satisfaction of academics in Pakistani private universities are very positive, correlated with organisational commitment. Since there is a statistically positive relationship between job satisfaction and organisational commitment, the impression is that if employees’ levels of satisfaction improve, then levels of organisational commitment would be affected in a positive direction (Azeem 2010:297). The Multiple Regression Analysis revealed a significant (31.582; p<0.001)
positive relationship between the dependent variables job satisfaction (31.582; p<0.001) and organisational commitment. Job satisfaction explains 78.2% of the variance in organisational commitment. The findings of this study imply that the more non-family employees experience job satisfaction in the family business, the more they are likely to be committed to that family business. The findings of this study concur with those of Lok and Crawford (2001:607) as well as Chan and Qiu (2011:1122), who also reported positive relationships between job satisfaction and organisational commitment. A strong correlation between job satisfaction and organisational commitment has been established empirically, yielding a positive association (Kotze and Roodt 2005:50). Since there is a statistically positive relationship between job satisfaction and organisational commitment, the impression is that if employees’ levels of satisfaction improve, then levels of organisational commitment would be affected in a positive direction (Azeem, 2010:297).

6.11. SUMMARY

The objective of this chapter is to report on the empirical findings of the study. The analyses and interpretation of the findings are presented such that the empirical objectives of the study are achieved. The chapter presents the results of the pilot study as an initial purification process of the scale highlighting the reliability and validity of the scale. The chapter provides preliminary analyses including descriptive statistics and description of the demographic characteristics of the sample used in the study. The chapter further presents reliability test; the Cronbach’s alpha (α), Composite reliability (CR) and the Average variance extracted (AVE), validity tests, construct validity, convergent validity and discriminant validity. Model fit is explored and includes a diagrammatic representation of model fit criteria and acceptable fit level. The confirmatory factor analysis (CFA) Model is illustrated and discussed. This chapter also presents the results of the preliminary analysis (including the conditions necessary to conduct the multivariate analysis techniques employed in the current study), descriptive analysis, confirmatory factor analysis (CFA) and structural equation modelling (SEM). CFA contributes to literature not only with reliable and valid measures of employee rewards but also by confirming the multidimensional nature of
job satisfaction and organisational commitment. In addition, SEM investigates the causal influence of employee rewards on job satisfaction and organisational commitment. The results give evidence that compensation (0.116, p<0.0001), performance management and recognition (0.27, p<0.0001) and talent development and career opportunities (0.489, p<0.0001) influence job satisfaction positively. Moreover, performance management and recognition has a positive significant influence on job satisfaction. Talent development and career opportunities also have a significant influence on job satisfaction. Additionally, these results give evidence that work-life balance and fringe benefits do not have a significant influence on job satisfaction. Fringe benefits has a negative effect on job satisfaction with (-0.013, p>0.81).

Similarly, organisational commitment has a positive effect on job satisfaction (0.248, p<0.002). However, compensation (0.07, p<0.272) and performance management and recognition (0.095, p<0.201) does not have a significant effect on organisational commitment. While fringe benefits (0.163, p<0.009) have a positive and significant effect on organisational commitment, work-life balance (-0.133, p<0.045) has a negative and significant effect on organisational commitment. In this regard, three components of total rewards have a significant effect on organisational commitment. The present study concurs that work-life balance, fringe benefits and talent development and career opportunities are the strong predictors of organisational commitment. Similary, three components of total rewards, namely, compensation, performance management and recognition and talent development and career opportunities have a significant influence on job satisfaction. The present study discovered that performance management and recognition, talent development and career opportunities are the strong predictors of job satisfaction. Therefore, there is a correlation between employee rewards, job satisfaction and organisational commitment among academic staff at selected universities of technology. The final chapter presents (I) a synthesis of the findings of this chapter, (II) an assessment of the research objectives set out in Chapter 1 and the hypothesised research model (literature chapters), (III) highlights of the main contribution of the study, (IV) enumeration of a number of managerial implications and recommendations, (V) an indication of the limitations of this research and points towards future research opportunities, and concludes with (VI) the reflection of the research journey.
CHAPTER 7:
CONCLUSION AND RECOMMENDATIONS

7.1. INTRODUCTION

The present study examines the influence of employee rewards on job satisfaction and organisational commitment. It provides an overview of the study, and an assessment and attainment of research objectives. Structural equation modelling (SEM) was employed and applied to assess the proposed exploratory model and hypothesis. The analytical results imply that all the proposed hypotheses are supported. A synopsis of the main findings of the study addressess the study objectives and highlights the contribution of this research endeavour. The study has revealed that elements of total rewards, namely: compensation, performance management, recognition and talent development and career opportunities influence job satisfaction and has a significant relationship.

Job satisfaction, therefore, has a positive and significant relationship. Similarly, work-life balance and benefits has a negative relationship to job satisfaction. This implies that work-life balance and fringe benefits do not influence job satisfaction in a South African setting. The present study further reveals a negative perception of academic staff regarding employee rewards offered. Thereafter, the chapter puts forward recommendations emanating from the findings of the research. It discusses the limitations of the study and proposes future research endeavours. The chapter ends with concluding remarks and reflection of the research journey.

7.2. OVERVIEW OF THE STUDY

Chapter 1 unearths major concerns of talent retention and employee turnover in higher education institutions. There is loss of highly qualified staff to the private sector and other higher education institutions because of better rewards. It is essential to attract and retain high-performing employees, which is both a concern and a challenge for
organisations in general. Given the effort and expense that go into recruitment and retention, does this not imply that affected organisations – and certainly higher education institutions (HEIs) in the study should be paying more attention to determining why their employees leave? In order to attract and retain employees, organisations need novel reward systems that satisfy employees. Chapter 1 provides a background and formulates a problem statement (1.2). The need to develop rewards system that offers job satisfaction while ensuring organisational commitment among academic staff is crucial and necessary. In line with problem statement, the purpose of the study (1.4) was identified with objectives (1.5) and key research questions (1.6). The aim of the research is to investigate the influence of employee rewards on job satisfaction and organisation commitment among academic staff in selected universities of technology. Based on the findings of the study, the higher education sector can improve and encourage the usage of employee rewards to reduce staff turnover among academic employees. In order to attain the purpose of this study, the following objectives are deemed necessary to be formulated:

1. to gauge the perception of academic staff with regard to employee rewards;
2. to investigate the impact of employee rewards on organisational commitment among academic staff;
3. to determine the impact of employee rewards on job satisfaction among academic staff;
4. to establish whether there is a correlation between employee rewards and job satisfaction;
5. to develop an exploratory model on employee rewards aligned to job satisfaction and organisational commitment at selected universities of technology; and
6. to recommend to the human resources managers and top management on possible strategies to improve employee rewards based on the research findings.

Chapter 2 aims to achieve objectives as set out in Chapter 1. The literature review on employee rewards, rewards management, significance of total rewards and rewards models are discussed. Correlation between rewards, job satisfaction and organisational commitment is examined in Chapter 2 with specific reference to higher education institutions.
Chapter 3 explores the relationship between job satisfaction and organisational commitment among academic staff. The study looks critically at the literature review on job satisfaction and organisational commitment.

Chapter 4 aims to achieve the objective of development of employee rewards exploratory model that is central to the study. The literature review indicates that there are no academic models on employee rewards for academic staff at universities of technology in South Africa, which arises from the theoretical model and a review of non-academic models on employee rewards. Hence Chapter 4 proposes a development of an exploratory model, which was central to the present study. Employee rewards model (Figure 4.1) comprises of 3 dimensions, 5 elements and 5 facets. The exploratory model (Figure 4.1) seeks to assist universities of technology management to deal with rewards that influence job satisfaction and organisational commitment.

Chapter 5 outlines the research design and methodology that follows in gathering and analysing data in the present study. The research approach, sampling procedures, measuring instrument are used to collect data. Analysis of data through statistics and structural modelling equation is used to test the exploratory model and hypothesis. The chapter concludes with a structural model that is formulated and hypotheses relationship identified.

Chapter 6 provides a report on the analysis and presentation of research findings of the quantitative analysis. The main findings of the present study are summarised and arranged in terms of the objectives formulated in Chapter 1 (1.5).
7.3. MAIN FINDINGS

The following objectives are formulated for the present study:

7.3.1. To gauge the perception of academic staff with regard to employee rewards

This objective is achieved in Section 6.6.8, the results revealing negative perception among academic staff regarding employee rewards offered. Results imply that academic staff was not in agreement with the fairness of the remuneration package offered related to their jobs. Previous studies further concur that there have been dissatisfaction with remuneration among academic staff in higher education institutions (Geisler and Oaxaca, 2005:1). Similarly, HESA (2014:6) indicated that without competitive remuneration for academics, especially at the lower echelons of the profession, many promising potential academics, as well as current academic staff, would be lured away to well paid positions in the public sector, as well as in the private sector. Similarly, as a result of the weak rand it is difficult to attract international academic staff to South African HE institutions.

7.3.2. To investigate the impact of employee rewards on organisational commitment among academic staff.

The impact of employee rewards on organisational commitment among academic staff was examined by regression analysis and extracted in Table 6.13, which consist of compensation, performance management, recognition, talent development and career opportunities, benefits and work-life balance. These elements indicated a positive and significant relationship with organisational commitment. However, compensation, work-life balance, performance management, recognition provide a non-significant relationship to organisational commitment among academic staff in higher education institutions in South Africa. This implies that compensation, work-life balance,
performance management, recognition does not have an impact on organisational commitment.

7.3.3. To determine the impact of employee rewards on job satisfaction among academic staff.

The impact of employee rewards on job satisfaction among academic staff was examined by regression analysis and extracted in Table 6.13. These regression analysis with elements of employee rewards consist of compensation, performance management, recognition, talent development and career opportunities, benefits and work-life balance. These elements indicate a positive and significant relationship with job satisfaction. However, benefits, work-life balance do not have a significant relationship with job satisfaction among academic staff in higher education institutions in South Africa. This implies that compensation, work-life balance and benefits do not have an impact on job satisfaction. In a South African setting, academic staff indicated that they would be satisfied with their job if monetary rewards elements are provided to them.

7.3.4. To establish whether there is a correlation between employee rewards and job satisfaction.

Correlation between employee rewards and job satisfaction was achieved in Table 6.10 and Figure 6.5 through correlation mix and structural equation modelling respectively. A strong relationship between elements of employee rewards is observed (r=0.747; 0.603; 0.06; 0.253 and 0.253 at p<0.0001 level of significance). Results of correlations indicate that employee rewards influence job satisfaction positively. Therefore, hypothesis (H₁, H₂, H₄) is accepted and relate to having a positive relationship. However, hypothesis (H₃ and H₅) indicates a non-significant relationship, therefore the hypothesis is not accepted.
7.3.5. To develop an exploratory model on employee rewards aligned to job satisfaction and organisational commitment at selected universities of technology.

This objective is achieved in Figure 6.4 and a structural equation modelling carried out to address seven constructs, and testing proposed exploratory model of employee rewards. The measurement model consists of seven constructs, namely, compensation, talent development and career opportunities, performance management, recognition, work-life balance, benefits, job satisfaction and organisational commitment. Once the fit indices were computed it was concluded that the measurement model displays acceptable levels of model fit as indicated in section 6.8.1.3. In addition, there is evidence of composite reliability and construct, convergent validity. As indicated in 6.7, there is evidence of reliability and construct validity. In accordance with formulation of the exploratory rewards model, a structural model was tested in section 6.8.2 with model fit results depicted in Table 6.14. As indicated in Figure 6.5, the structural model was also tested with hypothesis as depicted in section 6.8.2.1. As indicated in 6.8.2.1, compensation, performance management, recognition positively influence job satisfaction. However, work-life balance and benefits do not have a significant effect on job satisfaction. Similarly, job satisfaction has a positive and significant influence on organisational commitment. Additionally, exploratory rewards model as depicted in Figure 6.5 concludes acceptable model fit indices and represented as a working exploratory rewards model.

7.4. CONCLUSION

The main aim of this study is to develop an Employee Rewards Exploratory Model for selected universities of technology in South Africa, namely, Central University of Technology and Tshwane University of Technology. Empirical analysis was conducted with the use semi-structured questionnaire with an emphasis on employee rewards, job satisfaction and organisational commitment. Structural equation modelling was performed in order to test the exploratory model as depicted in Figure 6.4 and Figure
6.5 as the exploratory employee rewards model as presented in 6.8.2. Hypotheses was tested in 6.8.2.1 to test the proposed employee rewards exploratory model (Figure 6.5). The main findings of the present study show that elements of total rewards (compensation, talent development and career opportunities, performance management and recognition) have a positive and significant relationship with job satisfaction. However, fringe benefits and work-life balance do not have a significant effect on job satisfaction. Moreover, job satisfaction influence organisational commitment among academic staff in higher education institutions. These findings were also verified by previous studies whose findings concur with the present study. Additionally, the findings of the present study may not be generalised to other universities of technology since the study was conducted on two selected institutions.

7.5. CONTRIBUTION TO THE BODY OF KNOWLEDGE

The findings of the present study contribute to the limited literature available concerning employee rewards that influence job satisfaction and organisational commitment with specific reference to universities of technology in South Africa. This was achieved by empirically testing an exploratory model. Hypothesised model (Figure 6.5) postulated that three factors (compensation, performance management, recognition and talent development and career opportunities) influence job satisfaction positively and significantly while benefits and work-life balance do not have influence on job satisfaction. Similarly, job satisfaction has an influence on organisational commitment. Conversely, benefits, talent development and career opportunities has a positive and significant effect on organisational commitment. Work-life balance has a negative and significant effect on organisational commitment. The exploratory model (Figure 6.5) represents a significant tool for predicting employee rewards that influence job satisfaction and organisational commitment in a South African context. Additionally, academic staff indicates that financial rewards, career growth, performance management and recognition are key factors in determining job satisfaction and organisational commitment. Universities of technology can use these elements of rewards, which have a positive and significant influence, in order to enforce job satisfaction and organisational commitment. Recommendations are
discussed in the following section. Several studies have argued for the benefits, work-life balance, which is positive predictor of job satisfaction and organisational commitment. However, the findings of the present study, shows unexpected negative correlations between benefits and work-life balance and job satisfaction.

7.6. RECOMMENDATIONS

Arising from the findings of the research carried out on the influence of employee rewards on job satisfaction and organisational commitment among academic staff at selected universities of technology, the following are recommended:

7.6.1. JOB SATISFACTION AND ORGANISATIONAL COMMITMENT

The findings of the present reveal that there is a positive and significance relationship between job satisfaction and elements of total rewards among academic staff in selected universities of technology. This implies that working in the academic setting is rewarding and fulfilling. Job satisfaction also has a significant relationship with organisational commitment. The more academic staff experience job satisfaction, the more they are likely to have pride, an emotional attachment and sense of belonging towards the university. Therefore, employees who have a high level of job satisfaction will remain longer with their employer. Moreover, universities of technology should strive to provide novel rewards that will enable academic staff to remain with the university.

7.6.2. COMPENSATION

The study reveals that there is a negative perception towards rewards and remuneration package. There is an expectation from the employees that they will be adequately compensated for their efforts. Certo (2010:299) states that money is
important, not only as a means to pay the bills, but also a signal of the employee’s value to the organisation. Human resources and remuneration specialists at universities of technology need to design novel remuneration packages to attract and retain the best candidates and satisfy their employee’s expectations, in that they are fair, equitable and free of bias. A remuneration package is one of the most important factors that influence people to take up employment and stay with organisations. Additionally, in order to attract and retain talent, it should be prepared to pay salaries that are equivalent or better than others in the labour market. Similarly, rewards should be on a par with industry norms. Proper sector research should be conducted regularly to determine what others are offering, and adjust salaries accordingly. Bagraim, Cunningham, Pieterse-Landman, Potgieter and Viedge (2011:103) assert that motivation is involved in the process like lucrative positions, and ability of employees to see a link between performances and pay.

7.6.3. OPPORTUNITIES FOR PROMOTION

It is evident from the literature that one of the many contributing factors on the issue of job satisfaction is opportunity for promotion and talent development. The perception that there is little scope for promotion does not give employees much hope for future advancement at universities of technology. Mayhew (2012:1) states that the cycle of promotion, motivation, job satisfaction and performance feedback are critical, as one part of the cycle is dependent on the other. Rewards specialists, therefore, need to develop clearly defined criteria for career advancement opportunities and career path. This policy needs to display fairness in that it presents an unbiased process in so far as it provides equal opportunity to all employees. The performance management system should be clearly defined and every employee should benefit from it. Many employees will stay with the institution because there is an upward mobility that serves as an incentive for better performance. This does not mean that every employee should be promoted even if he/she is not performing, but promotion should be based on achievement rather that aspiration.
7.6.4. TALENT DEVELOPMENT

Training and development are part of the strategies available at universities of technology, but the way they are conducted cannot, in any way, make an impact on the development of employees. Therefore, training should be made compulsory for every employee and follow-up monitoring conducted to ascertain the impact it has made on the employees. The more individual employees accumulate skills, the more such employees should be rewarded by means of promotion or monetary incentive.

7.6.5. PERFORMANCE AND REWARD

The present study has revealed a correlation between job satisfaction and organisational commitment. Although there are performance bonuses, they are not yet fully implemented. This has negative effects on the performance of those who have not benefited from it, and thus reduces the efforts and results. The literature study indicated that business writers and academics have tried to draw conclusions from the small amount of empirical research done, which links compensation to actual performance and retention. Reh (2010:1) argues that good salaries enhance high performance at work, and motivate employees to stay at the institution. Compensation is the crux at which employee retention is based. A reasonably high level of total compensation is needed to attract the best employee. This is true for senior positions where the spread of performance is so large that it pays to attract a good performer.

7.7. STUDY LIMITATIONS

Academic studies have its own limitations, and the present study is no exception. It was conducted in two selected universities of technology among academic staff. The results cannot be generalised. The process of data collection was a very difficult and time-consuming exercise. An electronic method of data collection should be
considered to reduce time and cost of travelling to different campuses, which would enable academic staff to complete online surveys.

7.8. DIRECTIONS FOR FUTURE RESEARCH

Further studies need to be conducted throughout traditional, comprehensive and other universities of technology nationally. The present study employed a quantitative research method, although it would be worthwhile to conduct a qualitative method and make use of interviews on focus groups. Further research is proposed to consider the following areas:

- The influence of total rewards on talent retention factors at Higher Education Institutions in South Africa.
- Training and development on as part of talent retention strategy.
- The significance of employee compensation benefits on retention.
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