

Investigating the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central

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ABSTRACT

With the service industry in South Africa being a labour-intensive environment with a 72.29% share of employment (Stats SA, 2019), the demand for service delivery is high, and managers will need all the knowledge/tools to assist them in keeping up with the orders. The focus of this study was to investigate the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central. In Chapter 2, a thorough literature study was carried out and comprised a detailed literature review on reward systems in organisations. Concepts such as reward systems, reward strategies, employee performance, and the service industry were defined and explained. An additional literature review was done on different reward systems, types of reward strategies, influences of the reward system on employee performance, advantages and disadvantages.

After assessing the literature and the organisation's history, empirical research was carried out, and the findings of the empirical study were discussed. Finally, a questionnaire was used to gather the information from the participants in the study of "Investigate the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central" to investigate the three constructs. The questionnaire consists of four (4) sections. Section A assessed the current types of reward systems, Section B assessed the current reward system used in the organisation, Section C investigated the perceptions of the organisation's current reward system, and Section D gathered the demographical information of the participants. Hundred and twenty-two (122) questionnaires were used of the hundred and twenty-seven (127) returned.

Following an extensive empirical analysis performed in Chapter 4, it was concluded that the three constructs "Type Of Reward Systems" indicated a mean of $\bar{x} = 3,00$, the "Current Reward System" ($\bar{x} = 2,78$) and "Perception Of The Current Reward System" ($\bar{x} = 2,82$) demonstrate lower means. The study concluded by evaluating the primary and secondary objectives and made suggestions for further research.

Keywords: Rewards systems, employee performance, financial rewards, non-financial rewards, rewards strategy, service industry, employee perceptions

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LIST OF ABBREVIATIONS AND KEYWORDS

AFS	Annual Financial Statistics
CEO	Chief Executive Officer
COC	Chamber of Commerce
CPI	Consumer Price Index
EFA	Exploratory factor analysis
GDP	Gross domestic product
HR	Human Resource
HRM	Human Resource Management
ILO	International Labour Organization
KPI	Key Performance Indicator
NWU	North-West University
PFP	Pay-for-performance
PRP	Performance Related Payments
Stats SA	Statistics South Africa

1 CHAPTER 1: NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

In South Africa, the demand for service delivery in the private and government sectors grows every year for an organisation to keep up with the demand and still profit at the end of the day. As a result, the service industry contributes a total of 53.6% (Stats SA, 2020) to the country's economic growth (GDP) yearly. However, annual Financial Statistics (AFS) indicated a decline in the net profit margin for the service industry for the years 2017 and 2019 (Stats SA).

The study investigates the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central. Every year organisations invest large sums of money to ensure that the operations will continue and profit at the end of the year. However, significant small organisations in the service industry currently struggle to obtain a profit margin of 7% (AFS, 2019). This study focused on organisations that currently operate with or without a reward system and the current system's influence on the performance of the organisation and employees.

With the focus on making a profit in any business to ensure growth and sustainability, managers will invest in the latest technology or cut operating expenses to reach that goal. With the high unemployment rate currently in South Africa, businesses indicate that they are unable to earn a profit and must, as a result, close their doors. Annual Financial Statistics (AFS) stated a decline in the net profit margin for the service industry for the years 2017 and 2019 (Stats SA). Unemployment and the service industry directly impact each other regarding the activity in the service industry, allowing for growth or a decline (Grubel and Walker 1989).

Studies done in 2020 by Stats SA supports the argument made by Grubel and Walker that unemployment and the service industry still have a direct impact on each other, with unemployment increasing by 6.6% when compared. Employees can be labelled as an organisation's asset, and management needs to invest in them to grow both the organisation and employees. Sinek said the following 'Average companies give their people something to work for. In contrast, the most innovative organisations give their people something to work toward...' (Sinek, 2009). Employees are an essential part of

the business and should be adequately rewarded to assist with the organisation's growth.

In this chapter, the nature and scope of the study are used to determine the study's outcome. Primary and secondary objectives were used to help the researcher address the study's objective. Furthermore, primary and secondary questions are used in the research tool (questionnaire) and the literature review to collect information to complete the study. Lastly, empirical research was used to gain knowledge through a quantitative research approach.

1.2 PROBLEM STATEMENT

With the service industry being a labour-intensive environment, as indicated in Figure 1-1 with a 72.29% share of employment (Stats SA), the demand for service delivery is high; managers will need all the knowledge/tools for assisting them in keeping up with the demand. However, a recent study done by the School of Economics at the University of Cape Town concluded that the market is insatiable (Black, Craig & Dunne, 2017). This study investigates the problem of the organisation as they either do not know how to implement a proper reward system or does not have a reward system (Muiruri, K 2016: 20-21).

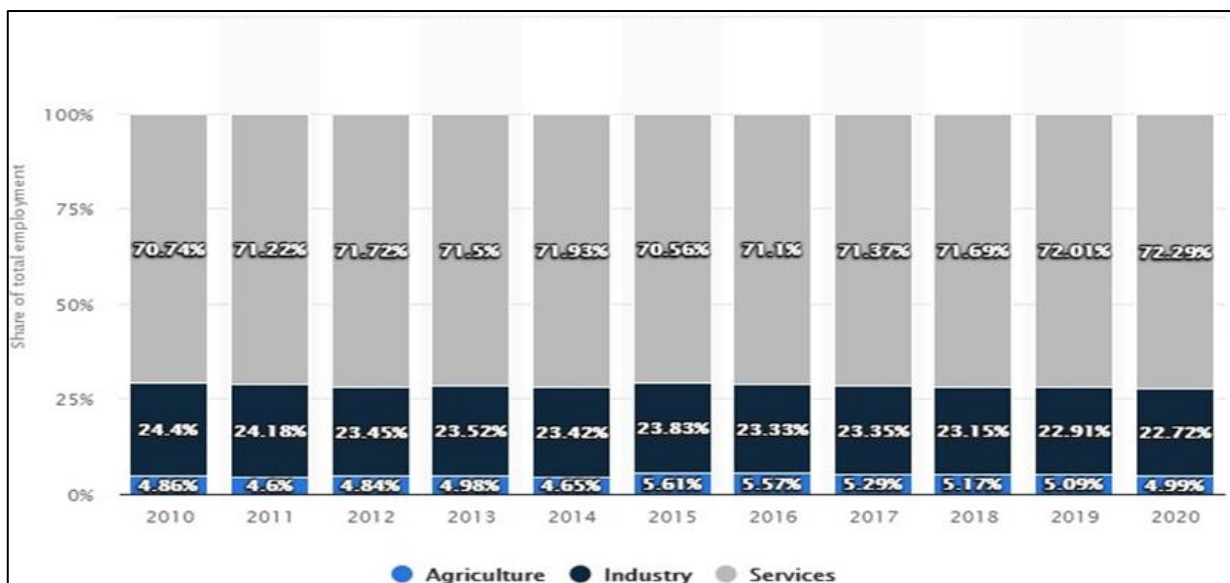


Figure 1-1: South Africa: Distribution of employment by economic sector from 2010 to 2020
Source: Stats SA, 2020

1.3 RATIONALE AND SIGNIFICANCE OF THE STUDY

This study investigated and identified the need for a reward system in an organisation in the service industry. Recommendations were made to the organisations on rewarding employees for positively impacting the organisations. It is important to remember that rewards will accompany performance from the employee. With the large unemployment percentage of 34.4% (Statista, 2019) in South Africa, the opportunity to try different options with a reward system should be considered. There will be a reaction for an action (incentive) (performance, retention or recruitment).

With the results available from prior research from Muiruri (2016) "Exploring South African employees' reward preferences" and Anandarajan, S (2017) "Factors influencing employee remuneration systems". Implementing such reward systems to impact the organisation positively is being used rarely, which might be the reason for the lack of performance service industry. Another assumption can be the complexity of implementation and constant control of a reward system.

The reward system will be discarded as an option. The four common types of rewards used in the service industry today: Monetary reward systems, non-monetary reward systems, employee assistance programs and, employee recognition programs (Cheng *et al.*, 2017: 22-33).

1.4 OBJECTIVES OF THE STUDY

1.4.1 Primary objective

The primary objective of this research is to investigate the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central.

1.4.2 Secondary objectives

1. To document the current use of rewards systems used in the service industry;
2. To identify the reward systems used in the service industry.
3. To investigate the influence of the reward system on employees performance.

4. To investigate the types of reward strategies used in organisations.

1.5 RESEARCH QUESTIONS

1.5.1 Primary Research Questions

The primary question is, does a reward system influence employee performance in the service industry?

1.5.2 Secondary Research Questions

1. Does the service industry make use of a reward system?
2. What types of reward systems are used in the service industry?
3. How do rewards systems, influence employees?
4. What types of reward strategies are used in the service industry?

1.6 SCOPE OF THE STUDY

1.6.1 Field of study

The study investigates the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central.

1.6.2 Geographical demarcation

The study was conducted in Potchindustria and Potchefstroom Central, situated in the North-West province of South Africa.

The research focuses on private institutions in Potchefstroom that are registered to provide essential services. This ensures that sampling can occur during the current pandemic (Covid-19) and allow me as the researcher to continue.

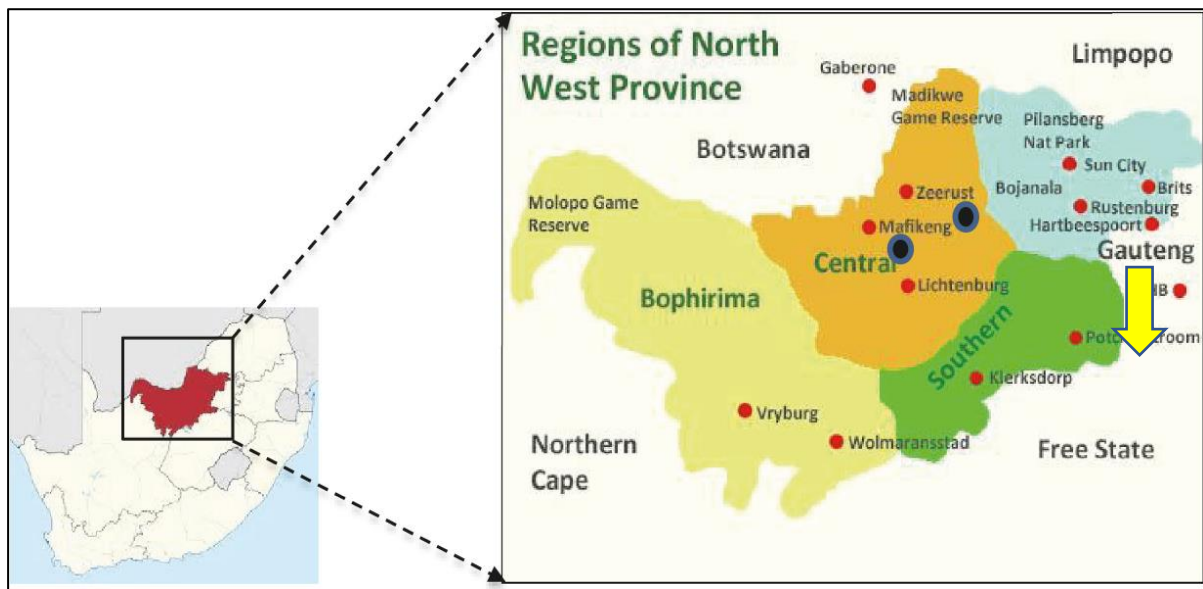


Figure 1-2: The location of the North-West Province and Potchefstroom Area within South Africa
 Source: Adapted from Journal of toxicology (2018)

1.7 RESEARCH METHODOLOGY

1.7.1 Literature review

The literature review was done using the latest journals, articles, dissertations, and website articles to understand reward systems in the service industry. In addition, the review aimed to gather information to assist in answering the primary and secondary questions of the study.

1.7.2 Empirical study

The research used the positivism research paradigm to meet the objectives of the research. Philosophical ideology makes use of accurate information provided by the research tool and was gained through measurements. Creswell (2011) suggests that if the data cannot be measured and observed, there is no value to the research. Bryman and Bell's interpretation for positivism is "an epistemological position that advocates applying the methods of the natural science to the study of social reality and beyond" (Bryman et al., 2014:12).

"Quantitative data is information about quantities, and therefore numbers and qualitative

data is descriptive, and regards phenomenon which can be observed but not measured, such as language" (McLeod, 2019). Therefore, a quantitative research method was used. This method allows the study to use a measuring instrument (questionnaire) to collect data. The data were analysed and statistically interpreted. Numeric data were collected using the questionnaire.

1.7.2.1 Questionnaire design

Quantitative data collected from the questionnaires provided helpful information regarding answering the study's research questions as the questions were structured to offer only data relevant to the research. In addition, a pilot study was done with the questionnaire to ensure that it would perform during the research phase.

The data used from the questionnaire were in the form of a Likert scale from one to five, indicating the employee strongly disagreed or strongly agreed. The data from the questionnaire were imported to IBM SPSS Statistics Version 27 (SPSS, 2020) to assist with the calculations for the information required. . The questionnaire template was used in previous research, and the template's content was changed to adapt to the profile for the new study. For example, the questionnaire template was used previously by Enslin (2009) for his dissertation at NWU in 2009, and consent was given to use the questionnaire. Therefore, the template was used only to replace the statements with ones that accommodate the study. The Statistical Consultation Services of the NWU assisted with interpreting and analysing the data.

1.7.2.2 Study population

The study population was +-150 permanent personnel employed in the service industry providing labour for the organisations between 2015 and 2020. The organisations identified that participated in the study are allocated in Potchindustria and Potchefstroom Central.

The study population consist of:

- Thirty (30) top employees (Top management in finance, marketing, operations, HR, etc.)
- Thirty (30) middle employees (Technicians, team leaders, officers, etc.)

- Ninety (90) lower employees (Cleaners, general workers, technical assistance, reception, etc.)

1.7.2.3 Gathering data

Below are the action steps are taken to assist in collecting the data from the identified organisations. The covid-19 protocol was adhered to when engaging with the organisations.

1. Research an organisation that fits the research profile. Potch-Tlokwe Chamber of Commerce ensured the participating organisations would add value to the study.
2. With all the information available, the organisations that fit the profile for the study were selected.
3. Step three was to call the organisations to set up a meeting to explain the reason for my study.
4. A meeting with the organisation that agreed to participate in the study was held to receive more detail about the organisation.
5. Assess all the relevant information and approve or reject a company depending on the research profile.
6. With the approved organisation on board, an email was sent with the documentation required for the study.
7. All completed questionnaires were received via email, and data were analysed.

Regular follow-ups were done via telephonic communication to ensure that any challenges could be addressed and that the questionnaires were completed as arranged with the participants.

1.7.2.4 Statistical analysis

1.7.2.4.1 Reliability

Reliability focused on the accuracy and precision of a measurement procedure (Cooper & Schindler, 2003). Measurements were considered reliable as they delivered consistent results and were stable. The questionnaire consisted of statements that allowed for a

steady process when gathering the data due to the same target organisations' time and financial constraints (Cooper & Schindler, 2003).

The Cronbach's Alpha was used to test the questionnaire's reliability. The reliability of a questionnaire and its underlying components is tested whether they consistently represent what they are assessing, which indicates that:

- All other things being equal, a person completing the questionnaire at two different moments in time should earn the same score for each component each time they complete the questionnaire.
- Two persons who are similar in terms of the constructs examined by the questionnaire should have identical results.

Cronbach Alpha values were interpreted based on some guideline values. Depending on the type of test administered, however, there are different guideline values:

- a value of 0,8 is appropriate for cognitive tests
- a cut-off of 0,7 is more suitable for ability tests
- Values below 0,7 can be expected for psychological tests (Bryman *et al.*, 2014:38).

In the early stages of research, values of 0,5 sufficed (but interpretation should be made with caution). However, in general, reliability estimates of 0,8 are acceptable, while values lower than 0,6 was considered unacceptable.

1.7.2.4.2 Validity

There are two primary forms of validity: internal and external (Cooper & Schindler, 2003). Internal validity focused on the actual measurement designed to measure, external validity focused on the representativeness and generalisability of the results, and content validity concentrated on the appropriateness of the variables provided. Finally, construct validity was measured using factor analysis as part of the data analyses phase and the actual data. Cooper and Schindler (2003) argue that content and construct validity are crucial for the research study (Cooper & Schindler, 2003).

The validity of the data in the study is prioritised, and any data that could not be trusted were excluded from the data utilised. For this study, all the data received from the

questionnaire were validated.

1.8 LIMITATIONS OF THE STUDY

The sample size for the study is +- 150 participants and might limit the amount of good data available due to participants not completing the questionnaire as expected. The study uses a self-assessment to collect the data required and might be influenced as the participants answered on their perception. Data collection were done with questionnaires and not through interviews or observations. With the current Covid-19 pandemic present and the possibility of a third wave of high infections, strict lockdown rules could impact the study.

1.9 LAYOUT OF THE STUDY

Figure 1-3 indicates the graphical layout of the study per chapter.

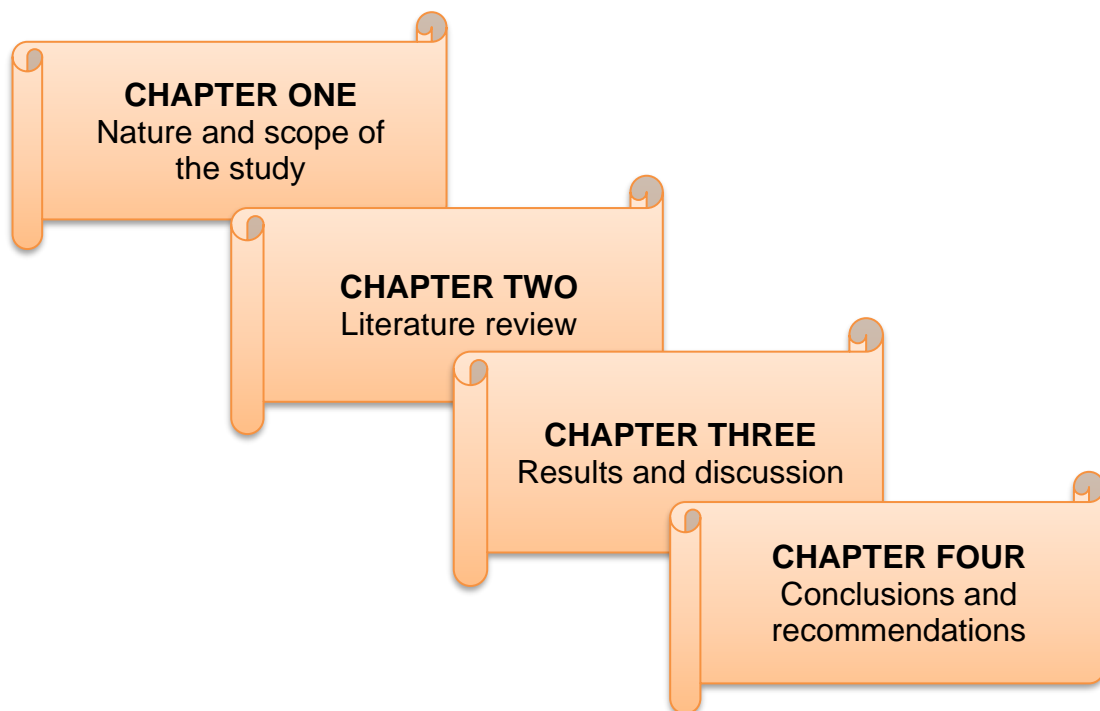


Figure 1-3: Graphical layout of the study

Chapter 1 - Nature and scope of the study

This chapter provided an overview of the study and its scope. In addition, the chapter discusses the research methodology, problem statement, primary and secondary objectives, the field of study, limitations to the research, and the layout of the study.

Chapter 2 - Literature review

This chapter consists of the statistical profile of organisations under investigation, the effect of employee performance, and the impact thereof on the organisations. This chapter aims to lay down the foundation of information required to address all the possible strategies that HR management could use and discuss these strategies in detail.

Chapter 3 - Results and discussion

This chapter focuses on the study's research methodology and the data processes required to gather, measure, analyse and present the data findings. Finally, the main results are discussed to determine the outcome.

Chapter 4 - Conclusions and recommendations

The last chapter completes the study with conclusions and recommendations from all the information gathered in the study providing the organisations with solid research by answering if a basic salary paid to employees can affect the achievement of targets set by management within the service industry.

1.10 SUMMARY

This chapter discussed the nature and scope of the study on the topic of "Investigating the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central.". The following was determined; problem statement, rationale and significance of the study, objectives of the study, research questions, scope of the study, research methodology, limitations of the research, and the study's layout to guide the researcher during the process. The next chapter presents the literature review.

2 CHAPTER 2 – LITERATURE REVIEW

2.1 INTRODUCTION

The previous chapter introduced the study. This chapter reviews literature aligned to the study. Sections covered include; definitions of reward systems, types of reward systems, reward strategies and the influence of reward systems on employees in the workplace. Gupta and Shaw (2015) state a shortfall of research for incentive and reward systems to assist organisations in implementing a plan that will work for their environment. The literature review investigated all the types of reward systems used in the service industry that allowed the researcher to understand the rewards system in the workplace.

With all the benefits a reward system has, there could also be a more challenging side of the reward system and should be evaluated for the effects it could have before implementation (Larcker *et al.*, 2014). Therefore, previous research on the topic was used in the literature review to answer the research questions.

There is no clear answer if a reward system does or does not contribute to better workplace performance, and the literature review in this chapter will give more clarity on the topic.

2.2 DEFINITIONS

2.2.1 Rewards system defined

Employees that receive rewards in the organisation will perform better than those employees who receive a basic salary. Makhubela, Botha and Swanepoel (2016) argues that a reward system forms part of the performance management process in any organisation. However, should it is not implemented fairly, it could influence the employee's performance. A reward can be in the form of a financial or non-financial benefit in the workplace. According to Van Zyl (2015), the most visible non-monetary award in an organisation. Employee participation schemes include work rotation, self-managed teams, firm-sponsored training, employee flexibility, management committees, and shop-floor committees. Stock ownership, bonuses, and profit-sharing are examples of financial incentives (Van Zyl, 2015, 634).

Jansen (2019), a Director in Human Capital at Deloitte, commented that the type of rewards had expanded substantially compared to the ordinary (old) rewards available. Jansen argues that the employee is more focused on selecting an organisation that provides rewards that align with their wants/needs and creates their relative value perspective through social media. Rewards should be implemented based on employees' financial and non-financial needs (Sheilds *et al.*, 2015).

It becomes clear from the above that an organisation's reward system provides different types of financial or non-financial benefits in the workplace that could motivate the employees to excel.

2.2.2 Reward strategies defined

Gerard (2017) from the Edinburgh Napier University states that the following reward strategy should be present when choosing a reward system and accommodate the current organisation's strategy.

An effective reward strategy should:

- Accommodate organisation objectives and have clearly defined goals
- reward systems should be designed to accommodate the need of both the organisation and employees.
- it should be based on the values of the organisation
- contribute to the current organisation strategy
- should adopt the culture, internal and external environment of the organisation
- should enhance business performance
- should evolve critical stakeholders with the reward system (Gerard, 2017)

Urbany (2005) believes that a value statement forms an essential part of any organisation. It defines the culture and beliefs in that organisation. A reward strategy can lead the employees to focus more on the externally extrinsically goals instead of the intrinsic organisation goals, according to Urbany (2005).

The two last-mentioned authors above place the spotlight on employees focus and motivation. The importance of a reward system and its influence on strategy are

highlighted again for the organisation.

2.2.3 Employee performance defined

The International Journal of Business and Society (2018, 535-545) conducted a study on the remuneration reward management system as a driving factor of employee performance. The research was done among 403 participants to investigate the impact on performance when using a reward system (Universitas Negeri Semarang, 2018). The reward system was designed around the goals and strategies of the university that was long term. The study's outcome indicated that a reward system and job satisfaction positively impact an employee's performance (Ardiansyah & Wulansari, 2018). In addition, the study results also suggested that a reward system positively influences both motivation and job satisfaction.

Furthermore, in another study done by Abdelhadi and Drach-Zahavy (2012), financial rewards outstandingly enhanced employees' performance and work engagements.

Therefore, employees work performance can be defined as how they complete their required duties in the expected time given for the task. The outputs are benchmarked against the effectiveness, quality, and efficiency of the work completed.

2.2.4 Service industry defined

The service industry contributes a total of 53.6% (Stats SA, 2020) to the country's economic growth (GDP) yearly. The service industry is classified as the third economic sector, the largest, and provides non-tangible goods. Some of the jobs in the service industry include; cleaner, household, technician, teaching and nursing. The services provided in the service industry include; service, maintenance, consultation and training. Therefore the service industry can be defined as a sector that offers services and not goods and is not limited to technical, educational or financial services.

2.3 REWARD SYSTEMS

Using a rewards system to enhance work engagement will benefit the organisations and

employee's performance (Malik, 2013). Not all the employees will require a reward system and might be satisfied with their current basic salary and not need additional motivation to perform (La Belle, 2015). However, demotivated employees will negatively impact the organisation, and a manager should prioritise motivation. Mossbarger and Eddington (2003) argue that financial rewards will not be the simplest motivator in the future. Van der Westhuizen and Wessels (2011) include short- and long-term incentives, base pay, recognition awards, merit pay, retention awards and perquisites as part of the rewards system. Rewards are a benefit an employee receives for a service they provided and forms part of an employment relationship (Milkovich, Newman & Gerhart, 2013).

Reward systems should be a crucial function in the human resource department and must be part of the strategic planning in any organisation. The outcome of a sound reward system is a high level of work performance, ensuring the organisation retains and attract motivated employees (Gungor, 2011). Therefore, implementing a reward system in any organisation will motivate the employees to work at a higher standard to increase the quality of service provided. The reward (remuneration) is the end product that an employee receives for the work performance off effectiveness and efficiency they contributed to (Agustini Sihet *et al.*, 2016). Michie (2016) believes that a reward system is a primary driver in an organisation that can motivate, empower, and distinguish them from the average employees.

It becomes clear from the above authors that a poor workplace environment will add additional pressure on individuals that wants to be part of a functional reward system. The results of a reward system in an organisation should be too motivated employees behaving and acting to influence the other employees positively.

2.3.1 Types of reward systems

Torrington *et al.* (2014) used the advantages and disadvantages of their research on PRP (performance-related payments) as a rewards system. With the advantages and disadvantages, it is clear that the management approach towards a reward system should align with the organisation's strategic goals. Financial and non-financial are two fundamental types of a reward system and should be combined to find a balance in the organisation to ensure that the employees are influenced positively (Armstrong, 2013). In other research done in the service industry, Pratheepkanth (2011) found both financial and non-financial relationships between employees and their motivation.

Financial rewards systems can be divided into direct and indirect, and non-financial rewards are divided between the work itself and the work environment provided by the organisation (Van Zyl, 2015:634). Amstrong (2013) has concluded that non-financial rewards should be used only to have a long-term effect on employees. Therefore, financial rewards should only be used short-term in an organisation to motivate employees.

Table 2-1: Components of a reward system

Financial		Non-Financial	
Direct (cash)	Indirect (benefits)	Job	Environment
Remuneration	Insurance	Captivating work	Good policies and practices
Incentives	Holidays	Challenge	Competent supervision
Bonuses	Medical aid	Responsibility	Congenial Employees
Stock ownership	Child care	Recognition	Safe and healthy work environment
Profit-sharing	Employee assistance	Advancement	Fair treatment

Source: Adapted from Van Zyl (2015)

2.3.1.1 Financial rewards

Financial rewards are given for various reasons, and each organisation will determine the reasons. Some examples of financial reward include a high performance with the task at hand, exceeding the KPI (key performance indicator) set by management, and meeting targets. Workers in the lower levels usually prefer financial rewards such as bonuses, paid holidays, and gifts. In contrast, the higher-level worker would choose financial rewards like stock ownership, profit-sharing, and performance bonuses (Ababa, 2019:15-17).

Gläser, Van Gils and Van Quaquebeke (2017) studied the impact that financial rewards pfp (pay-for-performance) will have on employees towards each other. The results were that there was no problem when all the employees shared in the reward. The challenges only started when the individual performing only received the rewards. Then, the rest of the employees will act negatively. More research should enable an organisation to understand the challenges and advantages that accompany a reward system.

2.3.1.2 Non-financial rewards

Non-financial rewards, also referred to as intangible rewards, are linked to the job itself or the work environment created by the organisation (Van Zyl, 2015:634). Some examples of non-financial rewards include good policies and practices, flexible working hours, learning opportunities, and a safe and healthy work environment. The non-financial rewards are not limited and can consist of certificates (employee of the month), gift cards, movie tickets, and a thank you from the manager (Ababa, 2019:15-17).

Armstrong (2009) argues that non-financial rewards such as good policies and practices, competent supervision, friendly employees, a safe and healthy work environment, and fair treatment will improve job satisfaction. Likewise, Van Zyl (2015) supports the argument that various non-financial rewards indicate improved job satisfaction in the workplace.

2.3.2 Factors influencing reward systems

Machendia (2010) argued that more than one factor would influence a reward system. Anandarajan (2017) supports the argument and categorises the internal and external factors.

The following are the internal factors:

Business Strategy: Gerard (2017) from the Edinburgh Napier University states that a reward strategy should be present when choosing a reward system and accommodate the current organisation's strategy. If the strategy maximises profits, the reward system should exceed the remuneration of what the competitors provide. On the other hand, should the strategy maintain profit, the reward system should be average or below average (Omolawal & Bawalla, 2017:7).

Job Evaluation and Performance Appraisal: According to Marye and Joep (2008), performance evaluation of employees' work should be done systematically to determine performance. The job evaluation will help determine if an employee is satisfied with their compensation in return for the labour provided. In addition, performance appraisal will help an organisation decide the reward provided to individuals with improved performance (Anandarajan 2017:131).

The Employee: Machendia (2010) argues that several employee-related factors determine the reward. They are seniority, employee performance, employee experience, employee potential, and sheer luck.

Affordability: Small organisations in the service industry currently struggle to obtain a profit margin of 7% (AFS, 2019). Organisations will always work towards optimal efficiency and productivity. With an unemployment rate of 32.6% (Stats SA, 2020) in South Africa, retrenchment is a reality, and with the lay of employees, the ones staying behind end up doing all the work.

Board of Directors: With a reward strategy being part of the organisation's policies, the board of directors must present it to the shareholders for approval. The shareholders probably influence the reward system as it forms part of the remuneration policy (Myburgh, 2003).

Change in Culture: South Africa being a multilingual and ethnically diverse country, it isn't easy to establish a culture to accommodate all the individuals in the organisation. The organisation's culture and type of reward system are linked as culture can attract specific policies and reject others (Omolawal & Bawalla, 2017:8).

The following are the external factors:

Labour Market: The labour market is determined by the demand and supply and the skills required for the job. A higher remuneration can be paid to employees if there is a need for that skill, and a lower salary will be paid if the demand is low and the skill is not required (Machendia, 2010). Therefore, going rates in the industry will be determined by benchmarking an employees skills and experience in the same sector (Omolawal & Bawalla, 2017:8).

Cost of Living: The cost of living is not the same in all the provinces in South Africa, although the basic pay stays the same (Stats SA, 2020). The cost of living can also be different between employees who receive the same salary as each individual will determine their liabilities. Organisations usually use the consumer price index (CPI) to determine the increase or decrease of reward depending on the movement (Omolawal & Bawalla, 2017:8).

Labour Unions: In February 2019, there were 205 Trade Unions registered with the Department of Labour in South Africa. (ETDP & SETA, 2021). With the presence of unions in an organisation, the wages paid to employees are often strong-armed by the unions, and the employee has no freedom to engage with the organisation. Organisations with no union representation will sometimes pay employees more to keep the unions away from them (Machendia, 2010).

The economy: With the current epidemic (Covid-19), it is evident that economics has a strong effect on an organisation's pay structure. The standard of living will increase with a growing economy and decrease with an economy facing unexpected decline. With the cost of living being the benchmark for remuneration in organisations, the economy will set the pace for increase or decrease (Omolawal & Bawalla, 2017:7).

Competitors: Organisations are in an everyday battle with the local and international markets to match the cost and quality of products and services provided (Omolawal & Bawalla, 2017:6). Global competition plays a significant role in determining the type of reward system in an organisation (Pfeffer, 2001). With an economy that is constantly changing, an organisation must be agile with its reward system to adapt to the needs of employees and the organisation.

Advanced Technological Developments: With the rapid development of advanced technology in South Africa, the global pandemic has accelerated the demand for advanced technology due to the new government laws. Most organisations had to adapt to work online and make technology part of their business model. The demand for advanced technology will impact the current reward system in an organisation as the reward system might need some significant changes (Omolawal & Bawalla, 2017:6).

2.3.3 Advantages and disadvantages of reward systems

There will always be advantages and disadvantages to consider with any reward system implemented in an organisation. Hamukwya and Yazdanifard (2014) provided some advantages and disadvantages that might impact implementing a reward system based on individual employees.

Table 2-2: Advantages and disadvantages on individual employees

Individuals	
Advantages	Disadvantages
Great motivator for individuals	Difficult to implement in the organisation
Reduce expenses in the organisation	Underperformed employees do not form part of the reward structure
Increase revenue	Underperformed employees are outperformed and will negatively influence their morality
Employees will go the extra mile and take on more challenging jobs	There are higher costs involved
Organisational goals/targets are achieved thru employee commitment	Employees might feel that there is favouritism for the performers

Source: Adapted from Hamukwaya and Yazdanifard (2014)

In a study done by Fransson and Frenberg (2005), they looked at the benefits and pitfalls of a reward system on individuals and groups based on Bowen (2000) findings. The results were as follows. Fransson and Frenberg (2005) argue that a team base structure is more valuable than the individual system.

Table 2-3: Advantages and disadvantages of a group

Groups	
Advantages	Disadvantages
The decision making is more in line with what the customer wants	The wrong customer can change the focus of the organisation for the wrong reasons
Faster response time with the task at hand	Absence of management or supervisors in the decision making
The team takes more responsibility and are more accountable	Reduce the engagement with management
Interpersonal and problem-solving skills within the group	Excluding the HRM during these proses can cause more harm than good
Increased productivity and efficiency	With the focus being on performance, the employee might neglect health and safety

Results are a group focused	Results are focused on the individual
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Source: Adapted from Fransson and Frenberg (2005)

Anandarajan (2017) believes that it is essential to have a reward system present in the workplace. Anandarajan experienced a reward system as a tool that assists the manager to increase productivity due to employees being motivated. Although a reward system can improve the organisation's overall performance and employees, Anandarajan (2017) highlighted the following advantages and disadvantages.

Table 2-4: Advantages and disadvantages of reward systems

Advantages	Disadvantages
A reward system allows an employee the prospect of being better off	Employees will sacrifice quality for quantity
The work environment will be more productive	Employee restriction to change due to the improvement/upgrade of new technology to advance productiveness
Improved communication among employees and management due to employees that want to be more productive	Employees tend to discard health and safety regulations
Employees are more innovative as they come forward with new ideas and suggestions to be productive	The well-being of the employees is a risk as more burnouts will happen due to no maximum ceiling set for performance
Work discipline increases as employees will be more punctual and less absent	Employees might be intimidated by workers that work fast and is rewarded for that performance and might cause discomfort in the workplace
There will be a reduction in supervision costs as employees become more responsible for their actions	The work for managers will increase as they need to gauge all the work to determine the performance of the employee
Employees will feel more part of the organisation as "time is money."	Employees might feel discouraged if they are not allowed to be compensated for downtime due to mistakes of management

Source: Adapted from Anandarajan (2017)

The advantages and disadvantages of Anandarajan (2017), Hamukwaya and Yazdanifard (2014) and, Fransson and Frenberg (2005) allow an organisation to familiarise themselves with the potential challenges there might be to implement a reward system.

It becomes clear from the above that there will always be pros and cons for any reward system implemented in an organisation. However, to reduce the individual and group's disadvantages on a reward system, HRM should form part of the reward strategy to ensure employees focus more on intrinsic organisational goals than externally extrinsically goals.

2.4 REWARD STRATEGIES

Hannan (2016) argues that all the effort to implement the reward system and change the organisation's value statement to adapt to the new strategy is redundant. She suggests that more research should be done to investigate if the change in the value statement will change the behaviour of employees. Armstrong and Brown (2006) agree with the statement from Hannan as they argue there should be flexibility within a framework to allow employees to respond to objective differences within the organisation.

2.4.1 Reward strategy development

Armstrong and Brown (2006) created a step-by-step process to assist organisations with implementing a reward strategy. In practice, to implement a reward strategy, the process should allow for changes as the organisation needs to adapt to the agile business environment. Therefore, the step-by-step process should be a basis for planning and communication and not a process that is not changeable.

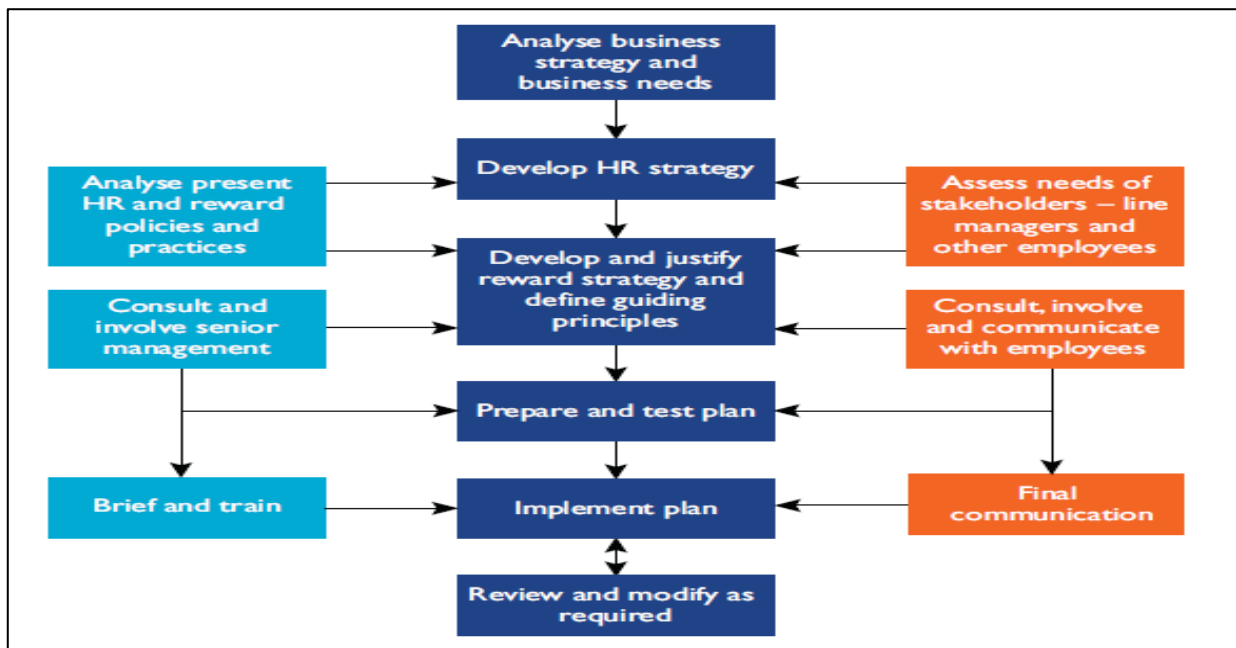


Figure 2-1: A model of the reward strategy development process

Source: Armstrong and Brown (2006:651)

2.4.2 Strategy implementation common mistakes

Bevan (2000, 6) argues that organisations must not overcomplicate reward strategies when implementing them. Bevan identified ten (10) common mistakes that contribute to the failure of a reward strategy in an organisation. These common mistakes are active in the design or execution phase.

Starting at the end: Organisations tend to implement a reward strategy due to the actions of their competitors. However, when implementing the reward strategy on a defensive effort due to competition, the organisation might forget what the current strategy is in the organisation. For example, if the current strategy wants to promote teamwork and the new reward strategy focuses on individual performance, it will not succeed.

Having no success criteria: The KPI (Key Performance Indicator) should be clear to all employees and managers and measurable to ensure fairness. With success criteria, the individual will know what is expected from them, and the managers will measure the performance

Trusting the business strategy: With the business environment changing rapidly and

organisations changing the business strategy to be agile. It makes it challenging for a reward strategy to settle in with the business strategy as it takes about two (2) years to positively impact the business (Bevan, 2000:3).

Equating complexity with flexibility: The reward system should be understandable for both the employee and managers (employer). Unfortunately, organisations tend to introduce complexity when implementing flexibility with a reward strategy.

Confusing speed with hast: This common mistake can be associated with "Starting at the end" due to the expected pace of the business world. Unfortunately, there are no cutting corners when implementing a reward strategy and, by doing so, can have financial and employee relations challenges.

Focusing on excellence: Most organisations use the 80/20 principle; 80% of the employees are underperformers, and 20% are performers. Instead, focus on the 80% as it will have a more significant effect on the organisation.

Ignoring pay architecture: A common mistake in organisations is that they do not pay proper attention to their grading structure, causing an endless argument with employees regarding performance ratings.

Failing to get real buy-in from all stakeholders: Senior managers and line managers play a fundamental role in creating a working environment to accommodate a reward strategy. They are influencers of the culture, motivations and, contributors of employees in an organisation.

Too much faith in line management: The reward strategy should be simplified to manage and positively impact employee performance. The outcome should be to avoid designing a reward strategy that will be beyond the capacity of an average line manager.

Integrating the rewards strategy with HR: The reward strategy should be combined with the HR process in the organisation to allow for effective management of the employees.

It becomes clear from the above mentioned common mistakes that contribute to the

failure of a reward strategy in an organisation that all stakeholders and the current business strategy should form part of the recommended reward strategy to ensure success. When implementing a new reward strategy, there will always be one or two mistakes, and it is essential not to lose sight of the bigger picture.

2.4.3 Total rewards

Manus and Graham (2003) describe total rewards as a reward system that combines financial and non-financial rewards to form one reward system. By combining two significant categories, employees can obtain satisfaction through their work. In addition, Sandra O'Neal (1998:8-14) stated that a total rewards system would embrace everything employees value in an employment relationship. A total reward system should ensure that it is implemented to benefit both the organisation and employee (Armstrong & Taylor, 2014:359)

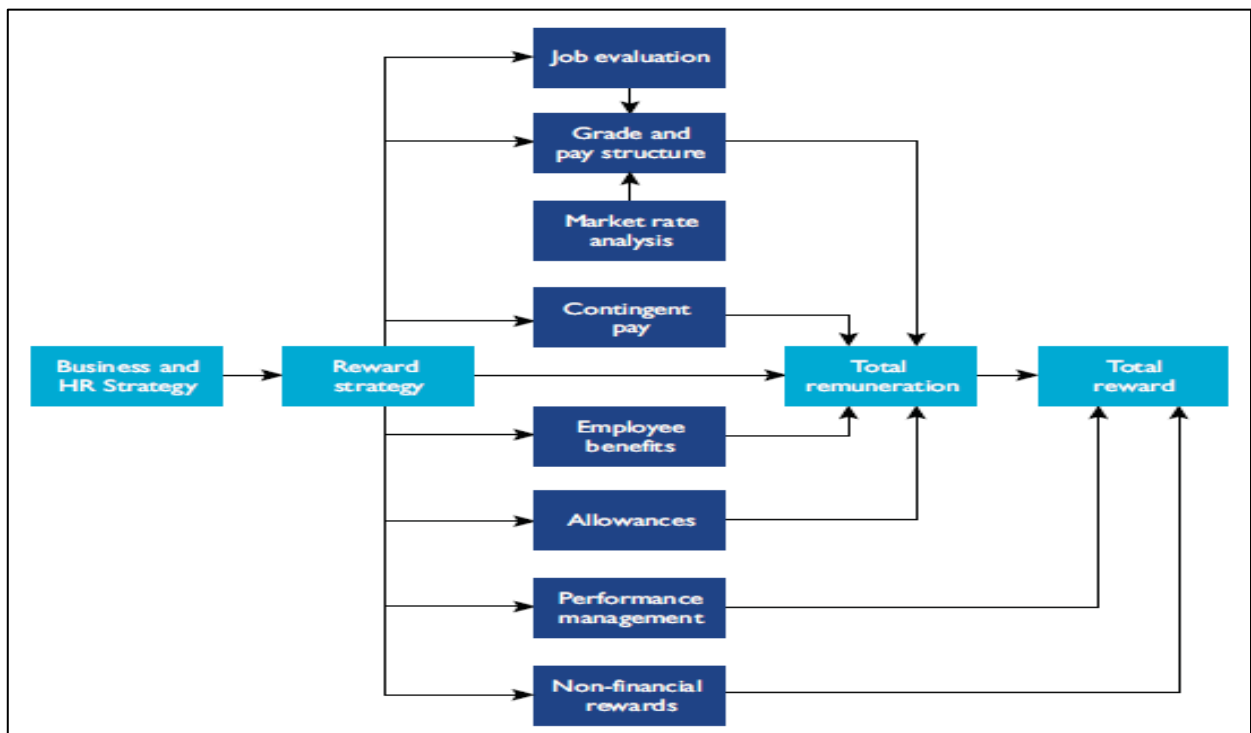


Figure 2-2: The reward management system: elements and interrelationships

Source: Armstrong (2007)

The three authors above emphasise the importance of implementing a total reward system rather than a reward system that only accommodates a financial or non-financial system. The employer should use all available resources to recruit, retain, motivate, and meet the demands of employees in the workplace.

2.4.4 Protecting the reward strategy

To ensure that a reward strategy is protected in today's business environment to enhance business and employee performance, it should be monitored and evaluated to determine its success and progress. In an article by Osypova (2020), he recommended the following key metrics to assess an organisation's reward strategy.

Table 2-5: Key metrics to assess an organisation's reward strategy

Metrics	Measurement tool
Organisational performance	Turnover, profit, market position, share price, customer feedback and, productivity
Individual performance and behaviours	Appraisal data, targets and objectives achieved, competencies, skills development.
Recruitment	Time to recruit, numbers of applicants, quality of applicants, cost of recruitment, number of vacant positions
Retention	Voluntary attrition rates, exit interview data
Engagement and satisfaction	Employee engagement survey data
Conflict	Numbers of grievances, industrial disputes

Source: Osypova (2020)

Qualitative data can be used to evaluate the organisation's reward strategy. Allowing a one-on-one interactive platform with the employees will be valuable to gather information about the reward strategy used in the organisation.

2.5 THE INFLUENCE OF REWARD SYSTEMS ON EMPLOYEES

The majority of literature studies in reward systems concluded that all employees are influenced by the type of reward system present in the organisation. Therefore, employees' efficiency and productivity depend on the attitude and morale of their job satisfaction provided in the organisation (Aborisade & Obioha, 2009). Every year organisations invest large sums of money to ensure that the operations will continue and profit at the end of the year. However, significant small organisations in the service industry currently struggle to obtain a profit margin of 7% (AFS, 2019): While

organisations are increasing the pressure on employees to perform better, the employees are increasing the pressure to get more from the organisations (Adeoti, 2009).

2.5.1 The well-being of employees

The well-being of employees should be well managed to ensure that an organisation will perform at its best on any given day. Well-being is divided between burnout and work engagement (Schaufeli, 2003; Schaufeli & Salanova, 2007). According to Mäkikangas *et al.* (2016), burnout is a prolonged pathological ill-being condition, and work engagement is a positive movement towards a work-related state of mind.

Burnouts will be visible when employees try to work towards unrealistic work goals with a mental and physical impact on employees (Bakker & Demerouti, 2008). Van der Westhuizen and Wessels (2011) argue that employees who reach that burnout stage will be unproductive and inefficient for the organisation. This behaviour is labelled as a lack of professional efficiency and will influence the work environment (Schaufeli & Taris, 2005).

Work engagement is the opposite of burnouts, and employees will operate positively. Scott and McMullen (2010) define work engagement as an employee who is committed, engaging and involved on a high level of engagement towards the organisation. Three elements of work engagement are vigour, dedication, and absorption. Nel *et al.* (2008) describe work engagement as an employee committed entirely to the organisation and self-motivated to go the extra mile.

Burnouts and work engagement are two opposites of employee well-being: the positive and the negative in an organisation. According to Leiter and Maslach (2008), an absence of rewards systems will enhance the probability of employees experiencing burnout. Jackson and Rothmann did another study (2006) also indicated that a lack of a proper reward system increases employee burnout. Furthermore, further studies suggest that a flawed rewards system will reduce commitment to the organisation (Coetzee & De Villiers, 2010). Thus, it is observable that a lack of a proper reward system harms employee burnout.

With work engagement as the positive side of well-being, the employer will think that no

reward system must be present due to its positive characteristics. However, according to Jacobs, Renard and Snelgar (2014), should an employee be part of a reward system, the work engagement will be higher, allowing co-employees to be influenced by their work.

The study results also indicated that a reward system positively influences motivation and job satisfaction. Therefore, the well-being of employees should be well managed to ensure that an organisation will perform at its best on any given day. Well-being is divided between burnout and work engagement (Schaufeli, 2003; Schaufeli & Salanova, 2007). According to Mäkikangas *et al.* (2016), burnout is a prolonged pathological ill-being condition, and work engagement is a positive movement towards a work-related state of mind.

2.5.2 The performance of employees

Emelianova (2019:9) concluded that an employee's performance in an organisation should be stimulated through a reward system. It can be used as a tool in the workplace to monitor and motivate employees' performance. Emelianova concludes that the efficiency and productivity of an organisation depend on employees efficiency and productivity in the work they do. Shields *et al.* (2015) indicated that an employee's performance is determined by the type of reward system used in the organisation and should include financial and non-financial rewards to meet the employee's expectations.

Omolawal and Bawalla (2017:3-4) argue that the rewards system influences an employees performance in the organisation. Therefore, these two authors concluded in their study that elements of employee performance should create value for customers and all the stakeholders. These elements include an acceptable job profile, the behaviour of the employee, quality of the work performed, the efficiency of the employee for the work performed, and continuous improvement on the work performed.

Ibrar and Khan (2015:95-103) conducted a study on "*The impact of reward on employee performance*". They found that a reward system does attract new employees for an organisation and motivate employees to perform at higher levels. Therefore, a reward system contributes directly to the performance of employees in the organisation. Furthermore, given the labour-intensive nature of the service industry, the demand for service delivery in the private and government sectors grows every year. Therefore, a

reward system must be used to increase employee performance and satisfaction (Ibrar & Khan, 2015:95-103).

2.6 SUMMARY

In light of the above, the study comprised a detailed literature review on reward systems in organisations. Concepts such as reward systems, reward strategies, employee performance, and the service industry were defined and explained. Additional literature was read on different reward systems, types of reward strategies, influences of the reward system on employee performance, advantages and disadvantages.

The literature review study showed significant synergy between employee performance and a reward system in an organisation. The literature review analyses showed the importance of management and HR involvement in evaluating and accessing employee performance levels. Employee performance directly impacts organisation performance, and it is crucial to ensure that the reward policy accommodates both the employee and employer.

Employees are a valuable asset in an organisation to ensure profitability in the challenging business environment. With the fast-changing business environment, an organisation should provide a reward system to retain employees and stay competitive in the market. An organisation needs to be competitive by keeping employees in the workplace, so it is crucial to protect the reward strategy and ensure its ability to adapt to change. Reward strategies should assist not only in increasing motivation to enhance employees' performance but also include a focus on attraction and retention of employees.

As stated in the literature review, a reward system is a valuable tool that could be used in an organisation to assist managers in attracting, retaining, motivating, maximising performance and satisfying employees' needs in the workplace. The literature review results conclude that a reward system can be in the form of a financial or non-financial reward.

Rewards have a different influence on employees. As a result, HR and management must guarantee that each employee has a positive experience with the incentive system

for the organisation to meet its objectives. Job satisfaction will increase work performance that will influence the workforce in the organisation. Therefore, the reward system should not affect the employees' well-being to achieve a high work performance. The next chapter presents the research methodology and discussion of results.

3 CHAPTER 3 – RESULTS AND DISCUSSION

3.1 INTRODUCTION

The study's primary objectives were to investigate the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central. Furthermore, the types of reward systems and reward strategies examined in the service industry determine their impact on employees.

The empirical study used a questionnaire to gather the information required and was sent to the participating organisations. The questionnaire was distributed through email and hard copy format. The questionnaire was used previously by Enslin (2009) and adapted to the research profile for the new study. The Statistical Consultation Services of the NWU (Potchefstroom campus) assisted with interpreting and analysing the data. An example of the questionnaire is available in Annexure C.

In this chapter, the procedures and methods used to gather the required data to do a comprehension study. The study's empirical research, the sample used (including the sampling method and size), the sample's demographic composition, the data collection technique, and the presentation and discussion of the findings were used to gather the study's required data.

3.2 GATHERING OF DATA

Permission was obtained from participating organisations to engage with their workforce to participate in this study and use the results obtained. A questionnaire was distributed among the participants. They had to complete the questionnaire by marking the most relevant answer with an "X" and return the completed questionnaire as a hard copy to the researcher.

The following are discussed in more detail in regards to gathering the data:

3.2.1 Study population

The study population consisted of 150 employees employed in the service industry at Potchindustria and Potchefstroom Central. Casteel & Bridier (2021) define a population

as a population of interest for the study. It comprises the individuals, dyads, groups, organisations, or other entities that one wants to understand and to whom the study results can be generalised or transferred. Therefore, it is the main focus of the research.

The study consisted of the following composition.

- Thirty (30) top management (Top management in finance, marketing, operations, HR, etc.)
- Thirty (30) middle management (Technicians, team leaders, officers, etc.)
- Ninety (90) workforce (Cleaners, general workers, technical assistance, reception, etc.)

For participants (employees) who felt they worked in different work responsibilities, a category "other" was added to accommodate all participants.

3.2.2 Questionnaire (measuring instrument) used in this study

A questionnaire used by Enslin (2009) was adapted with the guidelines of Best and Kahn (2003:307-308) to accommodate the study. The questionnaire was constructed, and the Statistical Consultation Services of the North-West University assisted with interpreting and validating the questions used in the study. A cover letter formed part of the questionnaire to explain the research purpose to the respondents. The information provided by the participants are confidential, and no employee or employer would be identified during or after the study.

The study consists of four (4) sections, namely:

Section A: Type of reward system in the organisation

The purpose of section A is to assess the current types of reward systems used in the participating organisation according to the employees and if the participants knew what a reward system is. The questionnaire used nineteen (19) statements, of which the participants had to choose Strongly Disagree (1) to Strongly Agree (5), utilising the 5-point Likert type scale.

Section B: Current reward system

Section B used sixteen (16) statements to identify the current reward system used in the organisation utilising the 5-point Likert type scale as in section A. The sixteen (16) statements include financial and non-financial to determine the type used in the organisation. Regarding each item, the respondents had to choose to what level they Strongly Disagree (1) to Strongly Agree (5).

Section C: Perception of the current reward system

In section C, the twelve (12) statements capture the perception of the current reward system in the organisation to determine to what level it contributes to individuals and the organisation. Again, there was a focus on individual and organisational performance with the reward present in the organisation. The 5-point Likert type scale is also used in this section to determine the level they Strongly Disagree (1) or Strongly Agree (5).

Section D: Background information

Section D gathered the demographical information of the participants. The gender, age, highest academic qualification, management level, years working in the company, years working in the current position, primary economic sector of the company and total employees working in the company is collected in this section.

3.2.3 Confidentiality

Confidentiality was ensured to all participants, and no employee or employer would be identified during or after the study. In addition, no individual findings were made public to safeguard respondents' privacy, and whether or not they chose to complete the questionnaire will not be revealed.

3.2.4 Statistical analysis of data

The data captured and used in the study were analysed by the Statistical Consultation Services of the North-West University (Potchefstroom-Campus) using IBM SPSS Statistics Version 27 (SPSS, 2020). This research uses bar graphs, histograms, and charts to tabulate or visually represent frequency distributions. In addition, the mean was used to measure central tendency, while the standard deviation illustrated data

distributions.

3.3 RESPONSES TO THE SURVEY

A tabular presentation in Table 3-1 presents the responses to the survey.

Table 3-1: Responses to the survey

Response type	Frequency	Percentage
Questionnaires distributed	150	100.00%
Questionnaires returned	127	84.66%
Questionnaires discarded	5	3.33%
Questionnaires analysed	122	81.33%

Respondents were given a total of one hundred fifty (150) questionnaires in the service industry of Potchindustria and Potchefstroom Central to complete. A total of a hundred and twenty-two (122) questionnaires were returned. As a result, the response rate of 84.66% was realised, while 5 (3.33%) questionnaires were discarded because they were not correctly completed. Therefore, 81.33% of the questionnaires could be analysed.

3.4 DEMOGRAPHIC INFORMATION OF RESPONDENTS

Section D of the questionnaire collected respondents' demographic information. The respondents had to indicate their gender, age group, management level, years working in the company, years working in the current position, the sector they work in and the total of employees in the organisation. Bar graphs, histograms, and bar charts were used to present the data.

3.4.1 Gender of respondents

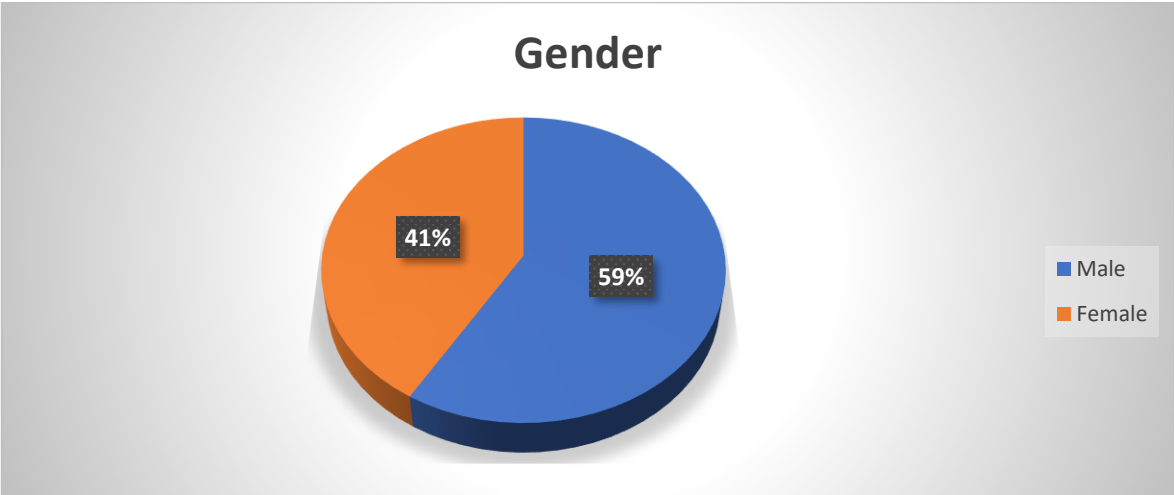


Figure 3-1: Gender of respondents

The male respondents represented 59% (71) and the female 41% (50) of the 122 total respondents, and only one (1) respondent did not complete this question.

3.4.2 Age group classification of respondents

The goal of this question was to utilise the information acquired to understand the age distribution of the respondents better. Respondents closer to retirement (60+) may have a different opinion on the research questions than respondents in the group of 29 and younger. Therefore, respondents were asked to categorise their age group into one of the five predefined groups. The participants' age group categorisation results are reported in Figure 3-2.

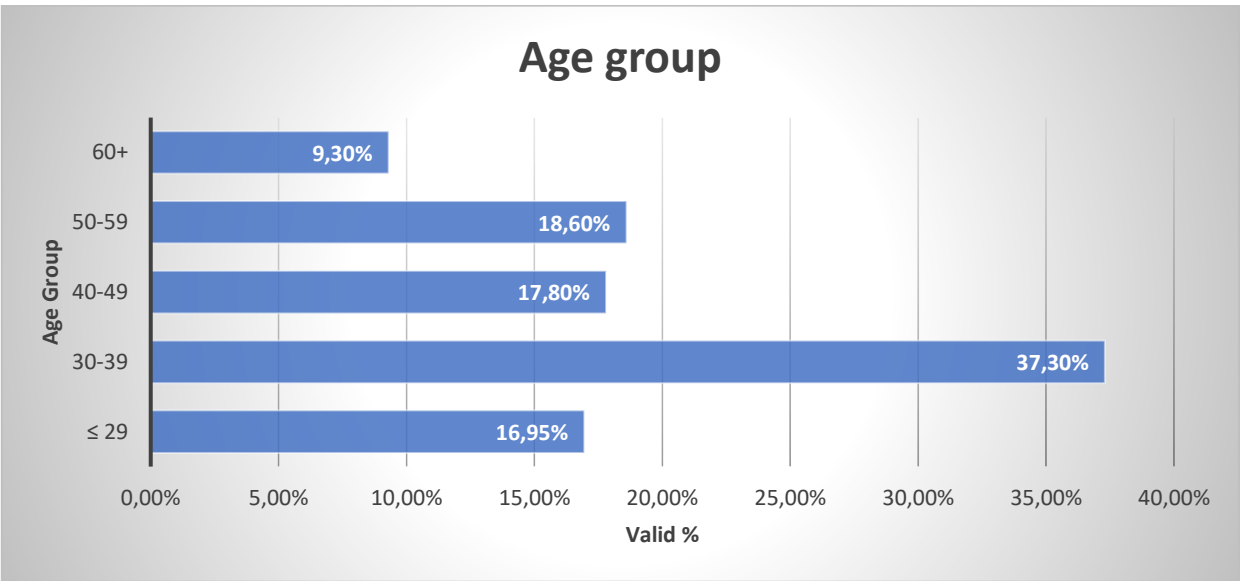


Figure 3-2: Respondents by age group

More than half of the respondents are younger than 40, <= 29 (16,95%) and 30 - 39 (37,30%) respectively. The other 45,70% were 40 - 49 (17,80%), 50-59 (18,60%) and 60+(9,30%). A total of four respondents did not complete this question. The data shows that most of the workforce in this study represents 30-39. Highest academic qualification achieved by respondents

The purpose of this question was to determine the respondents' highest academic qualification to establish a difference between the degree of qualification, their understanding of a reward system and the respondents' preference for a reward system.

Figure 3-3 presents the frequencies regarding the highest academic qualification of the participating respondents.

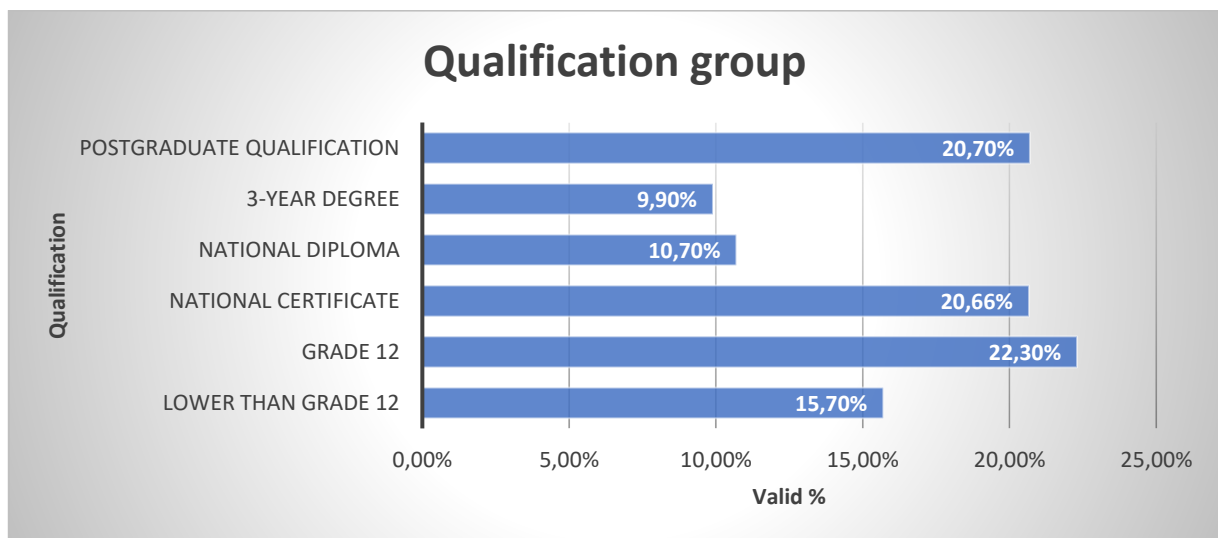


Figure 3-3: Highest academic qualification achieved by respondents

Three groups made up the majority of the respondents, obtained a Grade 12 (22,30%), a National certificate (20,66%) and, a Postgraduate qualification (20,70%). In addition, one respondent did not indicate their highest educational qualification.

3.4.3 Distribution of management level

The management level of the respondents was included in the demographical data to measure two outcomes. One (1), does the management level have different perceptions about the reward system and Two (2), did the study meet the requirements for the population set out in Chapter one. Only the Workforce (Cleaners, general workers,

technical assistance, reception, and others) did not meet the total respondents of ninety (90) that was targeted to participate.

Table 3-2: Management level of respondents

Management level	Frequency	Percentage
Senior management (Top management in finance, marketing, operations, HR, Sales, etc.)	35	29,68%
Middle management (Technicians, team leaders, officers, etc.)	40	33,89%
Workforce (Cleaners, general workers, technical assistance, reception, etc.)	37	31,35%
Other	6	5,08%
Total	118	100%

The largest participating group of respondents was middle management (33,89%). The workforce (31,34%) group was the second-largest group, with the senior management (29,68%) the lowest. Six (5,08%) respondents indicated that they do not form part of any of the three categories, and four respondents (3,3%) did not complete the question of the management level.

3.4.4 Years working in the company

The objective of this question was to determine the argument made by Mattson, Torbiörn, and Hellgren (2014), employees who work for longer than five years in the same organisation can be seen as satisfied with the compensation they receive in return for the labour provided. Figure 3-4 presents the number of years that participating respondents have worked in the participating organisations and the corresponding frequencies.

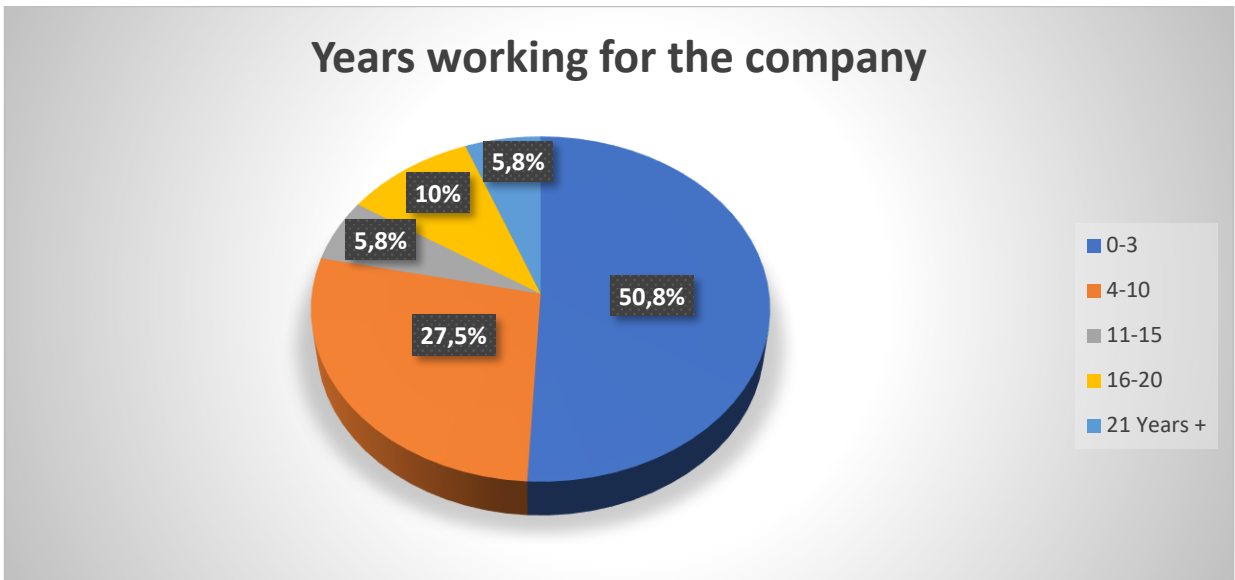


Figure 3-4: Number of years worked for the organisation

The largest participating groups of respondents was 0-3 years (50,8%) and 4-10 years (27,5%), respectively. Thus, these two groups contribute to the majority of 78,3% of the participating respondents for the study. However, two respondents did not complete the question of the number of years working for the organisation.

3.4.5 Years working in current position

The goal of this question was to support the argument made by Mattson *et al.* (2014), employees who work for longer than five years in the same organisation can be seen as satisfied with the compensation they receive in return for the labour provided. Figure 3-5 presents the number of years that participating respondents have worked in their current position and the corresponding frequencies.

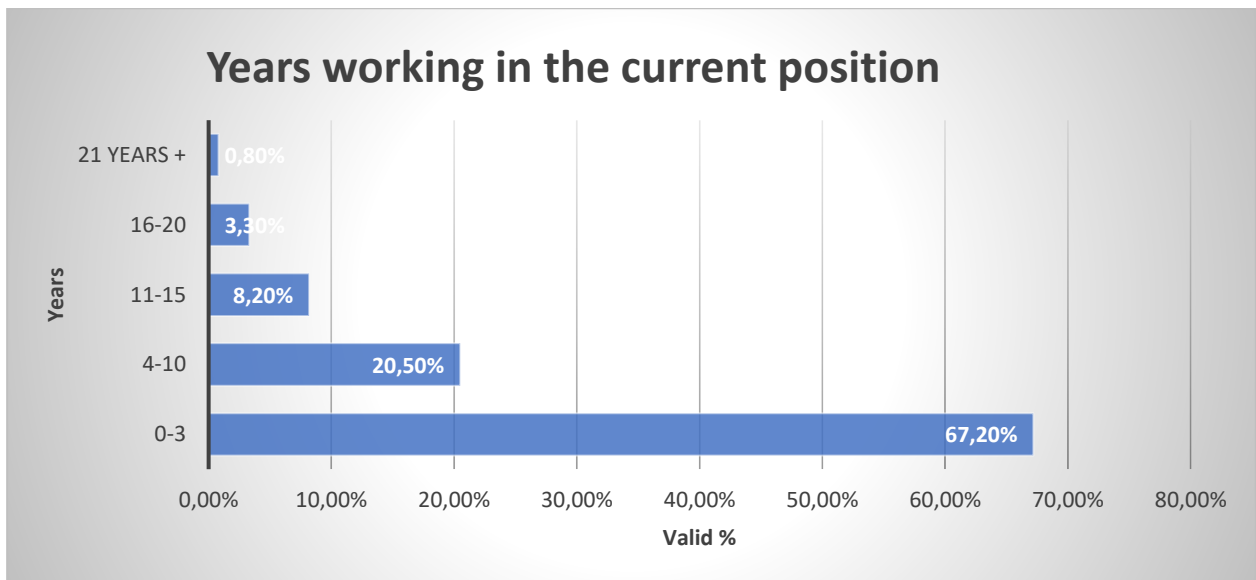


Figure 3-5: Number of years worked in current position

The majority of the respondents (67,20%) represented the group of 0-3 years worked in current position with the second-largest group (20,50%) being the 4-10 years. The remaining groups consisted of 11-15 years (8,20%), 16-20 years (3,30%) and, >21 years (0,80%). All the respondents completed this question.

3.4.6 The primary sector (activity) of your company

This question aimed to determine if the respondents knew the organisation's sector as the service industry is the objective in the field of study. Therefore, the ten main economic sectors in the service industry were presented as options. In Table 3-3, the primary economic sector of your company is shown and the corresponding frequencies.

Table 3-3: The main economic sector of the companies

Sectors in the service industry	Frequency	Percentage
Accounting and Finance Services	1	0,8%
Communication Services	0	0%
Construction and Engineering Services	21	17,5%
Education Services	0	0%
Environmental Services	0	0%
IT and ITeS	0	0%
Legal Services	0	0%
Manufacturing Services	24	20.0%
Travel, Transport and Logistics	2	1,7%

Sectors in the service industry	Frequency	Percentage
Tourism and Hospitality Services	54	45,0%
Other	18	15,0%
Missing information	2	1,6%
Total	122	100%

The majority of the respondents are in the Tourism and Hospitality Services (45,0%), with the second-largest groups being the Manufacturing Services (20,0%) and, Construction and Engineering Services (17,5%). Finally, the Accounting and Finance Services represented 0,8% of the total respondents. A significant number of respondents (15,0%) feels that the organisation they work for belong in a different segment than what was presented as an option. Two (2) respondents did not complete the question.

3.4.7 Total employees working in the company

In Table 3-4, the size of the three organisations is indicated.

Table 3-4: Employees working in the company

Total employees working in the company	Frequency	Percentage
1-9	0	0%
10-49	73	63,5%
50-249	42	36,5%
250 employees or more	0	0%
Missing information	7	5,8%
Total	122	100%

The majority (63,5%) of the respondents represented a smaller organisation, and the larger organisation was represented by 36,5% of the respondents. However, seven respondents (7) did not complete the question of the number of employees working in the company.

3.5 THE DESCRIPTIVE STATISTICS

The descriptive statistics consisted of the % Strongly Disagree, % Disagree, % Neither agree nor disagree, % Agree, % Strongly Agree, mean (\bar{x}), and standard deviation (s).

3.5.1 Type of Reward System

The type of reward system section contains nineteen (19) statements and is listed from A01 to A19. The results are displayed in the same order as the empirical survey in Section A (Type of Reward System). The following table shows the Type Of Reward System in the organisation component, the responses of the statements in a percentage, and the mean and standard deviation per statement.

Table 3-5: Descriptive statistics for the type of reward system in the organisation

No	Statement	% Strongly Disagree	% Disagree	% Neither agree nor disagree	% Agree	% Strongly Agree	\bar{x}	s
A01	I know what a reward system is	0,84	8,40	7,56	38,66	44,54	4,18	0,95
A02	The organisation makes use of a non-financial reward system.	3,36	24,37	21,85	26,05	24,37	3,44	1,20
A03	The organisation makes use of a financial reward system	19,83	9,09	16,53	32,23	22,31	3,28	1,43
A04	I prefer competent supervision over profit-sharing	9,65	9,65	39,47	18,42	22,81	3,35	1,21
A05	I prefer recognition over bonuses	30,25	26,89	32,77	6,72	3,36	2,26	1,07
A06	I prefer incentives over responsibility	6,84	13,68	47,01	19,66	12,82	3,18	1,05
A07	I prefer medical aid over good policies and practices	6,78	18,64	28,81	25,42	20,34	3,34	1,19
A08	I prefer additional leave over bonuses	29,17	32,50	25,00	10,00	3,33	2,26	1,09
A09	My family benefits from the reward system	22,22	15,38	29,06	23,08	10,26	2,84	1,29
A10	The organisation has employee assistance programmes	23,53	17,65	25,21	29,41	4,20	2,73	1,23
A11	The organisation has employee recognition programmes	26,27	24,58	22,88	24,58	1,69	2,51	1,17
A12	The organisation provides profit sharing	36,75	17,95	24,79	11,11	9,40	2,38	1,33
A13	My current job encourages me to work for the organisation	14,29	10,92	25,21	33,61	15,97	3,26	1,27
A14	The organisation provides flexible work hours	27,59	21,55	18,97	19,83	12,07	2,67	1,38
A15	I rather choose a non-financial reward system	38,46	33,33	20,51	3,42	4,27	2,02	1,06
A16	I rather choose a financial reward system	9,09	1,65	20,66	27,27	41,32	3,90	1,23
A17	The organisation does performance reviews regularly	9,57	16,52	26,09	31,30	16,52	3,29	1,20
A18	The organisation provides						3,02	1,31

No	Statement	% Strongly Disagree	% Disagree	% Neither agree nor disagree	% Agree	% Strongly Agree	\bar{x}	s
	annual bonuses	21,49	8,26	28,10	30,58	11,57		
A19	I receive time off for working overtime.	28,33	11,67	11,67	32,50	15,83	2,96	1,49

Considering the Type Of Reward System statements, the lowest mean was reported for A15, stating, "I rather choose a non-financial reward system" ($\bar{x} = 2.02$; SD = 1.06), indicating that respondents on average Disagreed with the statement. On the other hand, the highest mean was reported for A01, "I know what is a reward system" ($\bar{x} = 4.18$; SD = 0.95), indicating that respondents, on average, Agreed with the statement.

3.5.2 Current Reward System

In Table 3-6, the current reward system section contains sixteen (16) statements listed from B01 to B16. The following table shows the Current Reward System in the organisation component, the responses of the statements in a percentage, and the mean and standard deviation per statement.

Table 3-6: Descriptive statistics for the current reward system in the organisation

No	Statement	% Strongly Disagree	% Disagree	% Neither agree nor disagree	% Agree	% Strongly Agree	\bar{x}	s
B01	I am familiar with the current reward system in the organisation	17,36	19,01	29,75	23,97	9,92	2,90	1,23
B02	The current reward system is for all the employee	19,83	16,53	31,40	25,62	6,61	2,83	1,21
B03	The current reward system in the organisation is active	21,49	22,31	27,27	20,66	8,26	2,72	1,25
B04	Other organisations that are in the same industry also use a similar reward system	13,16	23,68	58,77	3,51	0,88	2,55	0,80
B05	The current reward system is based on the values of the organisation	12,17	12,17	48,70	23,48	3,48	2,94	0,99
B06	The current reward system contributes to the current organisation strategy	14,88	14,05	47,93	18,18	4,96	2,84	1,05
B07	The current reward system							

	adopts the organisation culture	10,17	11,02	49,15	27,12	2,54	3,01	0,95
B08	The current reward system enhance business performance	15,25	12,71	44,92	17,80	9,32	2,93	1,14
B09	The current reward system makes it easy to measure employee performance	16,81	26,89	41,18	10,92	4,20	2,59	1,03
B10	The current reward system accommodates organisation objectives	15,97	14,29	43,70	23,53	2,52	2,82	1,05
B11	The organisation provides employee insurance	30,00	34,17	23,33	11,67	0,83	2,19	1,02
B12	The current reward system addresses the need for performance in the organisation	14,29	23,53	36,13	18,49	7,56	2,82	1,13
B13	The current reward system addresses the need of the employees	12,40	19,01	43,80	20,66	4,13	2,85	1,02
B14	The current reward system adopts the internal work culture of the organisation	13,33	16,67	40,00	27,50	2,50	2,89	1,04
B15	The current reward system accommodates the external environment of the organisation	15,57	14,75	45,90	18,85	4,92	2,83	1,07
B16	The current reward system enhances my work performance	18,03	22,95	36,07	13,93	9,02	2,73	1,18

Considering the Current Reward System statements, the lowest mean was reported for B11, stating, " *The organisation provides employee insurance* " ($\bar{x} = 2.19$; SD = 1.02), indicating that respondents, on average, Disagreed with the statement. Conversely, the highest mean was reported for B07, " *The current reward system adopts the organisation culture* " ($\bar{x} = 3.01$; SD = 0.95), indicating that respondents, on average, Neither agreed nor disagreed with the statement.

3.5.3 Perceptions of Current Reward System

In Table 3-7, the current reward system section contains twelfth (12) statements listed from C01 to C12. The following table shows the Perceptions Of The Current Reward System in the organisation component, the responses of the statements in a percentage, and the mean and standard deviation per statement.

Table 3-7: Descriptive statistics for the perceptions of the current reward system in the organisation

No	Statement	% Strongly Disagree	% Disagree	% Neither agree nor disagree	% Agree	% Strongly Agree	\bar{x}	s
C01	The current reward system is user friendly	18,85	12,30	47,54	16,39	4,92	2,76	1,09
C02	The current reward system keeps employees motivated	15,70	27,27	33,88	18,18	4,96	2,69	1,09
C03	I'm committed towards the current reward system	14,17	18,33	47,50	14,17	5,83	2,79	1,04
C04	The reward system facilitates to enhance work performance for me as an employee	12,30	27,87	38,52	16,39	4,92	2,74	1,03
C05	The reward system facilitates to retain the best employees in the organisation	10,83	17,50	51,67	14,17	5,83	2,87	0,99
C06	The reward system facilitates to attract new employees	14,05	24,79	45,45	11,57	4,13	2,67	0,99
C07	The current reward system enhances business performance	14,17	15,83	40,00	25,83	4,17	2,90	1,07
C08	The current reward system adds value to the organisation	10,17	17,80	44,07	24,58	3,39	2,93	0,98
C09	The current reward system makes me work harder	14,05	25,62	33,06	20,66	6,61	2,80	1,12
C10	The current reward system is highly welcomed in the organisation	13,33	23,33	39,17	18,33	5,83	2,80	1,07
C11	I will recommend the use of the current reward system in any organisation	19,17	20,83	42,50	11,67	5,83	2,64	1,10
C12	Only management knows about my work performance	15,57	15,57	25,41	28,69	14,75	3,11	1,29

Considering the statements regarding Perceptions Of Current Reward System, the lowest mean was reported for C11, stating, " I will recommend the use of the current reward system in any organisation " ($\bar{x} = 2.64$; SD = 1.10), indicating that respondents on average Neither agreed nor disagreed with the statement. The highest mean was reported for C12, " Only management knows about my work performance " ($\bar{x} = 3.11$; SD = 1.29), indicating that respondents also, on average, Neither agreed nor disagreed with the statement.

3.6 RELIABILITY OF THE QUESTIONNAIRE

The internal consistency of the constructs used in the questionnaire was tested using

Cronbach alpha coefficients. A Cronbach alpha coefficient is calculated using the average correlation of variables in a test (Struwig & Stead, 2013:138). The greater the Cronbach alpha coefficient value, the greater the internal consistency and reliability of the constructs utilised (Struwig & Stead, 2013:138). The better the interior regularity of the items on the constructs, the closer the Cronbach alpha coefficient is to 1.0, with coefficients of 0.7 or larger being expected (Bryman & Bell, 2014:38).

In Table 3-8, the Cronbach alpha coefficients of the constructs: the types of reward systems, current reward system, and perception of the current reward system are documented.

Table 3-8: Cronbach alpha coefficients of constructs

Construct	Questions	Cronbach's Alpha Coefficients
Type of Reward System	a01-a19	0,762
Current Reward System	b01-b16	0,956
Perceptions of Current Reward System	c01-c12	0,954

The results in Table 3-8 indicates that the research instrument (questionnaire) used in this study to gather the information required has acceptable reliability. The lowest Cronbach alpha coefficient is types of reward systems (0,762), and both the current reward system (0,956) and perception of the current reward system (0,954) is high. Thus, the research instrument had acceptable reliability, with all the Cronbach alpha coefficients above the guideline value of at least 0,7, which indicate that the resulting construct is reliable.

3.7 ASSESSMENT OF THE ORGANISATION REWARD SYSTEM

3.7.1 Constructs measuring the organisation reward system

After the reliability of the three constructs was established, the average of all the questions included in the construct was calculated as a construct score and was further analysed.

Table 3-9: Organisation reward system survey results

Construct	Questions	n	mean	s
Type of Reward System	a01-a19	122	3,00	0,54
Current Reward System	b01-b16	122	2,78	0,84
Perceptions of Current Reward System	c01-c12	122	2,82	0,87

The means of the construct scores ranged between $\bar{x} = 2,78$ (SD = 0,84) and $\bar{x} = 3,00$ (SD = 0,54) indicating that respondents on average Neither agree nor disagree with the statements within these constructs.

The type of reward systems indicated a mean of $\bar{x} = 3,00$. Thus, the mean reflects that the respondents neither agree nor disagree with the statements within this construct. However, the current reward system ($\bar{x} = 2,78$) and perception of the current reward system ($\bar{x} = 2,82$) have somewhat lower means.

The elements influencing respondents' perceptions of the organisation reward system are explained below.

Type of reward systems ($\bar{x} = 3,00$; s = 0,54). Respondents indicated a mediocre feeling toward the type of reward system currently in their organisation. The data demonstrate that all the respondents knew what a reward system is in statement A1 "*I know what a reward system is*" ($\bar{x} = 4,18$; s = 0,95). The majority of the respondents indicated that they rather choose a financial over a non-financial reward system in the organisation. Statement A15 "*I rather choose a non-financial reward system*" ($\bar{x} = 2,02$; s = 1,06) and statement A16 "*I rather choose a financial reward system*" ($\bar{x} = 3,90$; s = 1,23). All the statements in this construct were positively phrased items.

Current reward system ($\bar{x} = 2,78$; s = 0,84). The respondents neither agreed nor disagreed. This reflects that the respondents have a mediocre feeling toward the current reward system in their organisation. All the statements in this construct were positively phrased items. The lowest mean was reported for B11, stating, "*The organisation provides employee insurance*" ($\bar{x} = 2.19$; SD = 1.02), indicating that respondents, on average, Disagreed with the statement. On the other hand, the highest mean was reported for B07, "*The current reward system adopts the organisation culture*" ($\bar{x} = 3.01$; SD = 0.95), indicating that respondents, on average, Neither agreed nor disagreed with

the statement.

Perception of the current reward system ($\bar{x} = 2,82$; $s = 0,87$). Respondents indicated that their perception of the current reward system is mediocre. The respondents neither agreed nor disagreed. In an earlier chapter, Shields *et al.* (2015) argued that an employee's performance is determined by the type of reward system used in the organisation. All the statements in this construct were positively phrased items.

3.8 DIFFERENCES BETWEEN DEMOGRAPHIC GROUPS

The independent t-Test and ANOVA were used to test for differences between demographic groups' opinions regarding the three constructs. The p-values (t-test and ANOVA) are reported for completeness sake but was not interpreted since a convenience sample was used instead of a random sample. Instead, the interpretations were based on the effect sizes.

The d-values, also known as effect sizes, will be interpreted using Cohen's measurements as guidelines. These guidelines are; lower than (d-value = 0,2) are not significant, results between (d-value = 0,29 – 0,49) are small, results between (d-value = 0,50 – 0,79) are medium and results higher than d-value = 0,80 are large (Gravetter & Wallnau ,2009:264).

The following demographical data were used in the t-Test analysis:

- Gender: Male and Female
- Years working for the company: 0-3, and, 4+

The following demographical data were used in the ANOVA analysis:

- Age group: ≤ 29 , 30-39, 40-49, and 50+
- Qualification group: Grade 12 and below; Certificate and Diploma; Degree and Post Grad
- Management group: Senior management, Middle management and Workforce
- The primary economic sector of the company: Construction & Engineering, Manufacturing, Tourism & Hospitality, and Other (Finance, Communication, Education, Environmental Services, IT, Legal, and Travel and Transport)

This analysis aims to determine any notable differences between the demographical groups' mean scores regarding the constructs.

3.8.1 Differences between gender groups

In Table 3-10, the demographic variable gender, with the mean (\bar{x}), standard deviation (s), p-value (p) and effect sizes (d), is used to test for differences between the two gender groups.

Table 3-10: Differences between gender (t-Test)

Construct	Gender							
	Male			Female			Comparison	
	n	\bar{x}	s	n	\bar{x}	s	p	d
Type of Reward System	71	3,14	0,55	50	2,80	0,46	0,00	0,63
Current Reward System	71	2,94	0,80	50	2,60	0,83	0,03	0,41
Perceptions of Current Reward System	71	2,90	0,86	50	2,73	0,85	0,28	0,20

The effect size of "Perceptions on Current Reward System" (d=0,20) indicated an insignificant difference, whereas the difference for "Current Reward System" is small (d=0.41). However, the "Type of Reward Systems" effect size indicates a medium difference (d=0.63) between the two gender groups. On average, the male group ($\bar{x} = 3.14$, SD = 0.55) Neither agreed nor Disagreed, leaning towards Agree with the statements. In contrast, the female group ($\bar{x} = 2.80$, SD = 0.46) on average Neither agreed nor Disagreed, leaning towards Disagree.

3.8.2 Differences between years working in current positions

In Table 3-11, the demographic variable years working in current position, with the mean (\bar{x}), standard deviation (s), p-value (p) and effect sizes (d), is used to test for differences between the two newly formed groups of (0-3 and 4+) years working in current position.

Table 3-11: Differences between years working in current positions (t-Test)

Construct	Years working in current position							
	0-3			4+			Comparison	
	n	\bar{x}	s	n	\bar{x}	s	p	d
Type of Reward System	82	2,98	0,52	40	3,03	0,57	0,67	0,08
Current Reward System	82	2,90	0,68	40	2,55	1,07	0,06	0,33
Perceptions of Current Reward System	82	2,96	0,69	40	2,51	1,10	0,02	0,41

Based on the reported effect sizes, there are only practically insignificant and small differences in the means of the respondents working 0-3 years in their current position vs those working more than three years in their current position.

3.8.3 Differences between age groups

In Table 3-12, the demographic variable Age with the mean (\bar{x}), standard deviation (s), p-value (p) of ANOVA and Welch, and effect sizes (d) is used to test for differences between age groups.

Table 3-12: Differences between the age groups (ANOVA)

Construct	Age group	n	\bar{x}	s	p ANOVA	p Welch	d		
							<=29	30-39	40-49
Type of Reward System	<=29	20	2,98	0,55	0,79	0,83	-	-	-
	30-39	44	2,95	0,51			0,05	-	-
	40-49	21	3,10	0,61			0,20	0,24	-
	50+	33	3,00	0,54			0,03	0,08	0,17
Current Reward System	<=29	20	3,05	0,60	0,39	0,21	-	-	-
	30-39	44	2,66	0,82			0,46	-	-
	40-49	21	2,84	0,97			0,21	0,18	-
	50+	33	2,72	0,91			0,36	0,06	0,13
Perceptions of Current Reward System	<=29	20	3,05	0,74	0,35	0,31	-	-	-
	30-39	44	2,70	0,76			0,47	-	-
	40-49	21	2,98	1,08			0,07	0,26	-
	50+	33	2,73	0,94			0,34	0,03	0,23

Based on the reported effect sizes, there are only practically insignificant and small

differences in the means of the respondents within the different age groups.

3.8.4 Differences between the qualification groups

In Table 3-13, the demographic variable and indicating the respondents' highest qualification, with the mean (\bar{x}), standard deviation (s), ANOVA (p), Welch (p) and effect sizes (d), is tested for differences between qualification groups (Grade 12 and below, Certificate and Diploma as well as Degree and Post Graduate).

Table 3-13: Differences between the qualification groups (ANOVA)

Construct	Qualification	n	\bar{x}	s	p ANOVA	p Welch	d	
							Grade 12 and below	Certificate and Diploma
Type of Reward System	Grade 12 and below	46	2,77	0,52	≤0,01	≤0,01	-	-
	Certificate and Diploma	38	2,97	0,47			0,38	-
	Degree and Post Grad	37	3,33	0,45			1,07	0,76
Current Reward System	Grade 12 and below	46	2,59	0,90	≤0,01	≤0,01	-	-
	Certificate and Diploma	38	2,66	0,69			0,08	-
	Degree and Post Grad	37	3,16	0,80			0,63	0,62
Perceptions of Current Reward System	Grade 12 and below	46	2,67	0,92	0,02	0,03	-	-
	Certificate and Diploma	38	2,67	0,69			0,00	-
	Degree and Post Grad	37	3,15	0,90			0,52	0,53

There are large (d=1.07) and medium (d=0.76) differences between the Degree and Post Graduate group's opinion vs the other two qualification groups' opinions when considering the type of reward construct. The Degree and Post Graduate group leaned somewhat more towards Agree (mean = 3.33, SD = 0.45) than both the other two groups (mean = 2.77, SD = 0.52 and mean = 2.97, SD = 0.45).

The reported effect sizes indicated medium (d=0.63 and d = 0.62) differences between

the Degree and Post Graduate group's opinion vs the other two qualification groups' regarding the Current Reward System construct. The Degree and Post Graduate group on average Neither agree nor disagree (mean = 3.16, SD = 0.80) and the other two groups leaned somewhat more towards disagree (mean = 2.59, SD = 0.91 and mean = 2.66, SD = 0.70).

The same rings true for the perception of the current reward system construct. There are medium effect ($d=0.52$ and $d = 0.53$) differences between the Degree and Post Graduate group's opinion vs the other two qualification groups'. The Degree and Post Graduate group on average Neither agree nor disagree (mean = 3.15, SD = 0.90) and the other two groups leaned somewhat more towards disagree (mean = 2.67, SD = 0.92 and mean = 2.67, SD = 0.69).

3.8.5 Differences between the management groups

In Table 3-14, the demographic variable management level, with the mean (\bar{x}), standard deviation (s), ANOVA (p), Welch (p) and effect sizes (d), is used to test tested for differences between the management groups.

Table 3-14: Differences between the management groups (ANOVA)

Construct	Management	n	\bar{x}	s	p ANOVA	p Welch	d	
							Senior management	Middle management
Type of Reward System	Senior management	35	3,15	0,51	0,16	0,16	-	-
	Middle management	40	2,95	0,49			0,39	-
	Workforce	37	2,94	0,58			0,37	0,02
Current Reward System	Senior management	35	2,62	1,19	0,49	0,60	-	-
	Middle management	40	2,85	0,59			0,19	-
	Workforce	37	2,80	0,67			0,15	0,07
Perceptions of Current Reward System	Senior management	35	2,59	1,22	0,18	0,23	-	-
	Middle	40	2,81	0,67			0,18	-

	management						
	Workforce	37	2,97	0,64			0,31 0,24

Based on the reported effect sizes, there are only practically insignificant and small differences in the means of the respondents within the different management groups.

3.8.6 Differences between the years working for the company groups

In Table 3-15, the demographic variable years working for the company, with the mean (\bar{x}), standard deviation (s), ANOVA (p), Welch (p) and effect sizes (d), is used to test for differences between the years working for the company groups (0-3, 4-10 and 11+).

Table 3-15: Differences between the years working for the company groups (ANOVA)

Construct	Years working for the company	n	\bar{x}	s	p ANOVA	p Welch	d	
							0-3	4-10
Type of Reward System	0-3	61	3,02	0,51	0,87	0,88	-	-
	4-10	33	2,96	0,56			0,10	-
	11+	26	3,03	0,61			0,02	0,11
Current Reward System	0-3	61	2,92	0,65	0,31	0,20	-	-
	4-10	33	2,73	0,93			0,18	-
	11+	26	2,52	1,08			0,37	0,21
Perceptions of Current Reward System	0-3	61	2,94	0,68	0,15	0,24	-	-
	4-10	33	2,80	0,93			0,15	-
	11+	26	2,54	1,14			0,35	0,23

Based on the reported effect sizes, there are only practically insignificant and small differences in the means of the respondents within the different years working for the company groups.

3.8.7 Differences between the primary economic sector of the company groups

In Table 3-16, the demographic variable primary economic sector of the company, with the mean (\bar{x}), standard deviation (s), ANOVA (p), Welch (p) and effect sizes (d), is used to test for differences between the primary economic sectors.

Table 3-16: Differences between the primary economic sector of the company (ANOVA)

Construct	Sector	n	\bar{x}	s	P ANOVA	p Welch	d		
							Construction & Engineering	Manufacturing	Tourism & Hospitality
Type of Reward System	Construction & Engineering	21	3,34	0,36	≤0,01	≤0,01	-	-	-
	Manufacturing	24	2,99	0,52			0,69	-	-
	Tourism & Hospitality	54	2,86	0,53			0,91	0,23	-
	All Other	21	3,01	0,60			0,55	0,04	0,25
Current Reward System	Construction & Engineering	21	3,40	0,67	≤0,01	≤0,01	-	-	-
	Manufacturing	24	2,92	0,74			0,65	-	-
	Tourism & Hospitality	54	2,37	0,82			1,25	0,67	-
	All Other	21	3,06	0,66			0,51	0,18	0,83
Perceptions of Current Reward System	Construction & Engineering	21	3,33	0,83	≤0,01	≤0,01	-	-	-
	Manufacturing	24	2,85	0,75			0,58	-	-
	Tourism & Hospitality	54	2,46	0,86			1,01	0,45	-
	All Other	21	3,13	0,71			0,24	0,38	0,78

The group showed a practically visible difference in the effect size ($d = 0.55$ and $d = 0.51$) in regards to "Type of Reward System" and "Current reward system" constructs. The manufacturing group indicated the same practically visible difference in the effect size in all three constructs ($d = 0.69$; $d = 0.65$ and $d = 0.58$). A practically significant difference ($d = 0.91$; $d = 1.25$ and $d = 1.01$) and large differences in the means of the respondents within the Tourism & Hospitality group regarding all three constructs was reported.

There are medium ($d=0.69$ and $d = 0.55$) and large ($d=0.91$) differences between the Construction & Engineering group's opinion vs. the other three groups' opinions when considering the type of reward construct. The Construction & Engineering group leaned somewhat more towards Agree (mean = 3.3, SD = 0.37) than both the other groups (mean = 2.99, SD = 0.52, mean = 2.87, SD = 0.53 and mean = 3.01, SD = 0.60 respectively).

3.9 SUMMARY

This chapter discussed the findings of the empirical study. A questionnaire was used to gather the information from the participants in the study of “investigate the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central” to investigate the three constructs. The questionnaire consists of four (4) sections. Section A assesses the current types of reward systems, Section B assessed the current reward system used in the organisation, Section C the perception of the organisation's current reward system, and Section D gathers the demographical information of the participants. Hundred and twenty-two (122) questionnaires were used of the hundred and twenty-seven (127) returned.

The demographics of the study population was discussed first, followed by the assessment of the organisation reward system. After that, the relationships between the demographics organisations reward system (using the p-values t-test and ANOVAs) were discussed.

The respondents' demographic information was analysed. The demographical data of the participants included gender, age, highest academic qualification. Furthermore, the management level included senior management, Middle management and, Workforce. Moreover, the respondents' demographic includes years working in the company and years working in the current position. Lastly, the primary economic sector of the company included Construction & Engineering, Manufacturing, Tourism & Hospitality, and Others.

The internal consistency and reliability of the questionnaire questions were determined using Cronbach's alpha coefficient values. The lowest Cronbach alpha coefficient was the types of reward systems (0,762), and both the current reward system (0,956) and perception of the current reward system (0,954) were high. Thus, the research instrument had acceptable reliability, with all the Cronbach alpha coefficients above the guideline value of at least 0,7, which indicate that the resulting factors are reliable, as confirmed by Bryman and Bell's (2014:38) view.

The assessment on the perceptions of the organisation reward system had an average mean $\bar{x} = 2,87$ and a standard deviation of 0,75. However, two of the three constructs, Current reward system ($\bar{x} = 2,78$) and Perception of the current reward system ($\bar{x} =$

2,82), reported a mean below the average mean of $\bar{x} = 2,87$. The last construct of the three, Type of reward systems ($\bar{x} = 3,00$), had the highest mean above the average mean of $\bar{x} = 2,87$. The overall view of the respondents was that they “Neither agree nor Disagree” with the statement of the study.

Another analysis was done to determine the differences between demographic groups. The effect size of gender, age, qualification, management level, years working in the company and primary economic sector of the company regarding the three constructs were analysed. The reported effect size was mostly practically insignificant differences and small differences in the means of the different groups. Only the Tourism & Hospitality group with regards to “Type of Reward System”, "Current reward system" and "Perception on the reward system" factors, practically significant difference and large differences in the means of the respondents ($d = 0,91$; $d = 1,25$ and $d = 1,01$) were reported.

The following chapter derives conclusions from the results covered in this chapter and advice on fostering and choosing the correct rewards system for the service industry of Potchindustria and Potchefstroom Central.

4 CHAPTER 4 – CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

In the final chapter, the assessment of investigating the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central, the findings of the empirical study as presented in chapter 3 will be discussed and concluded. To achieve the primary objective of this study, in Chapter two (2), a literature overview on investigating the effect of employee performance and the impact on the organisations was done. The research methodology was outlined in Chapter 3, and the results and interpretation of the empirical findings were presented.

This chapter is divided into two sections. The primary and secondary objectives outlined in Chapter 1 evaluated the existing reward system's findings.

The first section of this chapter discussed the empirical study findings and the conclusions drawn from the literature study results. The differences between the demographic groups and constructs are presented in bar graphs, histograms, and bar charts. The differences between the demographic groups included gender, years working in current positions, age groups, qualification groups, management groups, years working for the company groups, and the primary economic sector of the company groups. The three constructs were Type of Reward System, Current Reward System and Perceptions of Current Reward System.

The second section of the chapter provides recommendations and guidelines to cultivate a working environment to accommodate reward strategy in the service industry of Potchindustria and Potchefstroom Central. Furthermore, this section will include the evaluation of the primary and secondary objectives and make suggestions for further study.

Finally, closing observations about the study are offered to bring the chapter and research to a close.

4.2 CONCLUSIONS

Conclusions follow the general pattern of the questionnaire, first examining the survey's reliability by evaluating the Cronbach alpha coefficients, then addressing the basic demographic information, and finally assessing the three constructs gauging the organisation reward system. Following that, a discussion of the present organisation reward system based on the constructs takes place, and lastly, the differences between various demographic groups are examined.

4.2.1 Demographic information

Demographic information of respondents was attained using a questionnaire. In addition, the respondents were required to provide their gender, age group, management level, years working in the firm, years working in the present job, the industry they work in, and the total number of employees in the organisation. The following conclusion can be made from the demographic results obtained in section D of the questionnaire.

- The gender representation in the service industry of Potchindustria and Potchefstroom Central was divided between males representing 59% and females 41%.
- The majority of the respondents were younger than 40, <= 29 (16,39%) and 30 - 39 (36,06%) respectively. The other 44,25% were 40-49 (17,21%), 50-59 (18,03%) and 60+(9,01%). The data shows that most of the workforce in this study represents 30-39.
- The highest qualification representation groups consisted of three groups. The majority of the respondents obtained a Grade 12 (22.13%), a National certificate (20.49%) and, a Postgraduate qualification (20.49%).
- The distribution of management level was evenly distributed among the three groups. The middle management (32.8%), the workforce (30.3%) group was the second-largest group, with the senior management (28.7%) the lowest.
- The largest participating group of respondents was 0-3 years (50%) and 4-10 years (27%), respectively. Thus, these two groups contributed to the majority of 77% participating respondents for the study.
- The group representation for years working in the company, the respondents (67,21%) represented the group of 0-3 years worked in current position with the second-largest group (24,49%) being the 4-10 years. The remaining groups

consisted of 11-15 years (8,19%), 16-20 years (3,27%) and, >21 years (0,81%).

- The majority of the respondents (67,21%) represented the group of 0-3 years worked in current position with the second-largest group (24,49%) being the 4-10 years. The remaining groups consisted of 11-15 years (8,19%), 16-20 years (3,27%) and, >21 years (0,81%). All the respondents completed this question.
- The majority of the respondents are reported to work in the Tourism and Hospitality Services (44,3%), with the second-largest groups being the Manufacturing Services (19,7%) and, Construction and Engineering Services (17,2%). Finally, the Accounting and Finance Services represented 0,8% of the total respondents.

4.2.2 Reliability of the questionnaire used

A Cronbach alpha coefficient of >0,7 or higher was obtained for the constructs measure the types of reward systems, current reward system, and perception of the current reward system

The results in Table 3-8 indicates that the research instrument (questionnaire) used in this study to gather the information required was acceptable. Furthermore, the lowest Cronbach alpha coefficient is types of reward systems (0,762), and both the current reward system (0,956) and perception of the current reward system (0,954) is high. Thus, the research instrument had acceptable reliability, with all the Cronbach alpha coefficients above the guideline value of at least 0,7, which indicate that the resulting construct is reliable.

4.2.3 Conclusions on the organisation reward system

With the reliability of the questionnaire validated, the empirical research investigated three constructs to assess the organisation's reward system. Using a Likert scale to evaluate the 65 statements, the respondents had to indicate their level of agreement or disagreement, starting with one 1 (Strongly Disagree), 2 (Disagree), 3 (Neither agree nor disagree), 4 (Agree) and, 5 (Strongly Agree).

The means of the constructs ranged between $\bar{x} = 2,78$ (SD = 0,84) and $\bar{x} = 3,00$ (SD = 0,54), indicating that respondents on average Neither agree nor disagree with the statements within these constructs. The type of reward systems indicated a mean of $\bar{x} =$

3,00. Thus, the mean reflects that the respondents neither agree nor disagree with the statements within these factors. The mean reflects that the respondents, on average, neither agree nor disagree with the statements. However, the current reward system ($\bar{x} = 2,78$) and perception of the current reward system ($\bar{x} = 2,82$) demonstrate lower means.

Conclusions for each construct are explored in the following sequence, beginning with the construct with the highest mean rating and ending with the construct with the lowest mean rating:

4.2.3.1 Type of Reward System

Armstrong (2013) concluded that financial and non-financial are two fundamental types of reward systems and should be combined to find a balance to ensure that the employees are influenced positively. The majority of the respondents indicated that they choose a financial over a non-financial reward system in the organisation. The lowest mean was reported for A15, stating, *"I rather choose a non-financial reward system"* (mean $\bar{x} = 2.02$; SD = 1.06), indicating that respondents, on average, Disagreed with the statement. A16 *"I rather choose a financial reward system"* ($\bar{x} = 3,90$; s = 1,23) scored almost double of A15 indicating that the majority are in favour of a financial reward system.

The highest mean was reported for A01, *"I know what is a reward system"* (mean $\bar{x} = 4.18$; SD = 0.95), indicating that respondents, on average, Agree with the statement indicating that the HRM in the organisation has implemented a financial or non-financial reward system.

4.2.3.2 Current Reward System

Anandarajan (2017) argued that internal and external factors would influence a reward system in an organisation. However, it is clear from the respondents' statements regarding the CURRENT REWARD SYSTEM ($\bar{x} = 2,78$; s = 0,84) that internal and external factors played a role. Moreover, the respondents neither agreed nor disagreed. This reflects that the respondents have a mediocre feeling toward the current reward

system in their organisation.

The lowest mean was reported for B11, stating, " The organisation provides employee insurance " (mean \bar{x} = 2.19; SD = 1.02), indicating that respondents, on average, Disagreed with the statement. On the other hand, the highest mean was reported for B07, " The current reward system adopts the organisation culture " (mean \bar{x} = 3.01; SD = 0.95), indicating that respondents on average Neither agreed nor disagreed with the statement.

4.2.3.3 Perceptions of Current Reward System

Respondents indicated their perception of the current reward system to look warm. The results suggest that the organisation's rewards strategy should be revised to accommodate both employees and employers. Shields et al. (2015) argued that an employee's performance is determined by the type of reward system used in the organisation and should include financial and non-financial rewards to meet the employee's expectations

The lowest mean was reported for C11, stating, "*I will recommend the use of the current reward system in any organisation*" (mean = 2.64; SD = 1.10), indicating that respondents on average Neither agreed nor disagreed with the statement. On the other hand, the highest mean was reported for C12, "*Only management knows about my work performance* " (mean = 3.11; SD = 1.29), indicating that respondents, on average, Neither agreed nor disagreed with the statement.

4.2.4 Difference between demographic groups

The demographic differences between gender, years working in current positions, age groups, qualification groups, management groups, years working for the company, and the company group's primary economic sector were tested for differences within the constructs.

4.2.4.1 Differences between gender

Overall the male respondents were more informed about the Type of Reward System in

the organisations than the female respondents. In fact, the male respondents are more optimistic about all three constructions assessing the organisation's reward system. The "Type of Reward Systems" effect size indicated a medium difference ($d=0.63$) between the two gender groups. On average, the male group (mean = 3.14, SD = 0.55) Neither agreed nor Disagreed, leaning towards Agree with the statements within the "Type of Reward System" construct. In contrast, the female group (mean = 2.80, SD = 0.46) on average Neither agreed nor Disagreed, leaning towards Disagree. However, no statistically significant difference in mean values between male and female respondents could be identified.

4.2.4.2 Differences between years working in current positions

According to the study's findings, there was only practically insignificant and small differences in the means of the respondents working 0-3 years in their current position vs those working more than three years in their current position. Because there is little difference in mean values, an outsider who does not have access to the statistical data will not notice a difference between respondents years working in current positions.

4.2.4.3 Differences between age groups

Overall the reported effect sizes are only practically insignificant, and small differences in the means of the respondents within the different age groups. The difference in mean values indicates that different ages in the groups of the respondents are in agreement with the constructs.

4.2.4.4 Differences between the qualification groups

The results indicated large ($d=1.07$) and medium ($d=0.76$) differences between the Degree and Post Graduate group's opinion vs the other two qualification groups' views when considering the type of reward construct. Bevan (2000:6) argued that organisations must not overcomplicate reward strategies when implementing them. The result indicated that common mistakes contributed to the failure of a reward strategy in the organisations due to equating complexity with flexibility, as Bevan (2000:3) identified.

4.2.4.5 Differences between the management groups

The study results reported practically insignificant effect sizes differences in the means of the respondents within the management groups concerning the constructs measuring the organisational reward strategy.

4.2.4.6 Differences between the years working for the company groups

Overall the study results reported practically insignificant effect sizes differences in the means of the respondents within the different years working for the company groups concerning the constructs measuring the organisational reward system.

4.2.4.7 Differences between the primary economic sector of the company groups

According to the study's findings, there was only a practically significant difference ($d = 0,91$; $d = 1,25$ and $d = 1,01$) and large differences in the means of the respondents within the Tourism and Hospitality group regarding all three constructs. Therefore, the argument made by Hannan (2016) and supported by Armstrong and Brown (2006), reflected in the results. Thus, the reward strategy for the Tourism & Hospitality economic sector organisations should be revised to accommodate both employees and employers.

4.3 RECOMMENDATIONS

The results are drawn from the three constructs assessing the organisational reward system. In general, the reward system in the participating organisations is not optimal. However, it was clear from the literature review that establishing and fostering a reward system should accommodate both the employer and employee. Commitment from top management and HR to allow employees to develop and implement a reward strategy will be of value for the organisations. As discussed in chapter three, various causative elements underlined the necessity for a functional reward system in the organisation at the time of the research. Constructs that scored means below $\bar{x} = 3,00$ is recommended to be addressed in the short term. As a result, specific suggestions will be made for the Current Reward System and Perceptions of the Current Reward System.

The following recommendations can be considered:

4.3.1 Current Reward System

A reward system is an essential tool for any organisation as studies showed significant synergy between employee performance and a reward system in an organisation. The importance of management and HR involvement in evaluating and accessing employee performance levels is highly valued. It directly impacts organisation performance, and it is crucial to ensure that the reward policy accommodates both the employee and employer. It is recommended that the organisations revise their current reward system to accommodate both employers and employees. A platform for all employees to provide feedback on the current reward system is of high value to enable the management and HR with the necessary information to revise the current reward system.

Shields et al. (2015) argued that an employee's performance is determined by the type of reward system used in the organisation and should include financial and non-financial rewards to meet the employee's expectations. Thus it is recommended that the revised reward system should consist of financial and non-financial rewards to maintain a balance.

4.3.2 Perceptions of Current Reward System

The perception of the current reward system in the organisations has a significant impact on employees of how they benefit and experience the reward system. Therefore, it is recommended that management and HR allow for an "open door" policy to allow employees to be comfortable engaging with their management regarding rewards in the organisation. Furthermore, employees having a positive perception of the organisation's reward system will increase employee performance and satisfaction (Ibrar & Khan 2015:95-103). Thus, the perception will be positive feedback inside and outside the organisation.

Another recommendation is to use a technological platform for employees, managers and HR to allow real-time feedback. It will assist all relevant stakeholders in giving and receiving feedback faster than once or twice a year. In addition, employees' efficiency and productivity (perception) depend on the attitude and morale of their job satisfaction provided in the organisation (Aborisade & Obioha, 2009). Therefore, provisions should be made to implement a technological platform in the organisations.

4.4 ACHIEVEMENT OF OBJECTIVES

The success of both the primary and secondary objectives, as specified in section 1.4 of this study, was utilized to determine the study's success.

4.4.1 Primary objective

The primary objective of this research was to investigate the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central. The primary objective was met by completing the secondary objectives of the study.

4.4.2 Secondary objectives

The secondary objectives were created to support the primary objectives. Below are the secondary objectives, along with an assessment of whether they were met:

- To document the current use of rewards systems used in the service industry.
 - Assessment: Achieved IN SECTION 2.3 OF THE LITERATURE STUDY.
- To identify the reward systems used in the service industry.
 - Assessment: Achieved with the data received from the questionnaire in SECTION B: CURRENT REWARD SYSTEM
- To investigate the influence of the reward system on employees performance.
 - Achieved with the data received from the questionnaire in SECTION C: PERCEPTION OF THE CURRENT REWARD SYSTEM
- To investigate the types of reward strategies used in organisations.
 - Assessment: Achieved in section 2.4 of the literature study.

4.5 SUGGESTIONS FOR FURTHER RESEARCH

Based on the study's findings, the following recommendations are given for future research investigating the influence of reward systems on employee performance in the service industry.

This study is limited to Potchindustria and Potchefstroom Central, situated in the North-West province of South Africa. However, the views of more South African service

industries should be incorporated in this study because expanding the study population will be beneficial.

Similar studies were done in South Africa and internationally. There would be a benefit should the studies relating to reward systems be done more frequently to provide managers and HR with the latest trends. The current agile environment (Covid-19) will only be advantageous for both the employee and employer to use the newest research to help.

4.6 SUMMARY

The first section of this chapter discussed the empirical study findings, and the conclusions were drawn from the literature study results. The Cronbach alpha coefficient determined the tool's reliability used to evaluate each construct. First, the differences between the demographic groups and constructs were presented in bar graphs, histograms, and bar charts. The differences between the demographic groups included gender, years working in current positions, age groups, qualification groups, management groups, years working for the company groups, and the primary economic sector of the company groups. The three constructs were Type of Reward System, Current Reward System and Perceptions of Current Reward System.

The type of reward systems indicated a mean of $\bar{x} = 3,00$. Thus, the mean reflects that the respondents neither agree nor disagree with the statements within these factors. The mean reflects that the respondents, on average, neither agree nor disagree with the statements. However, the current reward system ($\bar{x} = 2,78$) and perception of the current reward system ($\bar{x} = 2,82$) demonstrate lower means.

The second section of the chapter provided recommendations and guidelines to cultivate a working environment to accommodate reward strategy in the service industry of Potchindustria and Potchefstroom Central.

Lastly, this chapter evaluated the primary and secondary objectives and suggested further study.

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6 APPENDICES

6.1 APPENDIX A: NWU ETHICAL CLEARANCE



Private Bag X6001, Potchefstroom
South Africa 2520

Tel: 018 299-1111/2222
Web: <http://www.nwu.ac.za>

Economic and Management Sciences Research
Ethics Committee (EMS-REC)

30 April 2021

Prof C Botha
Per e-mail
Dear Prof Botha

EMS-REC FEEDBACK: 30042021 (Round Robin)
Student: Schlebusch, W (26952572)(NWU-00068-21-A4)
Study leader: Prof C Botha - MBA

Your ethics application on, *Investigating the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central*, which served via Round Robin, refers.

Outcome:

Approved as a minimal risk study. A number **NWU-00068-21-A4** is given for one year of ethics clearance.

Please note that the ethics approval of this application is subject to the Covid-19 protocols.

Kind regards,

Mark
Rathbone



Digitally signed by Mark Rathbone
DN: cn=Mark Rathbone, o=North-West
University, ou=Business management,
email=mark.rathbone@nwu.ac.za, c=ZA
Date: 2021.06.14 17:04:27 +02'00'

Prof Mark Rathbone
Chairperson: Economic and Management Sciences Research Ethics Committee
(EMS-REC)

6.2 APPENDIX B: QUESTIONNAIRE FOR PARTICIPANTS

Code number:

A001

ORGANISATION REWARD SYSTEM QUESTIONNAIRE

CONFIDENTIAL

Note: All the information provided by the participants are confidential, and no employee or employer would be identified during or after the study.

REWARD SYSTEM QUESTIONNAIRE

Dear Respondent

By participating, you will contribute toward identifying the advantages/disadvantages of a reward system in the workplace. This will help the organisation to determine the effects a reward might have. This questionnaire will take approximately fifteen (15) minutes to complete.

This **Informed Consent Statement** serves to confirm the following information as it relates to the officially approved research project at the North-West University on "Investigating the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central".

Every year organisations invest large sums of money to ensure that the operations will continue and make a profit at the end of the year. Currently, large to small organisations in the service industry struggle to obtain a profit margin of 7%. This study will focus on organisations that currently operate with or without a reward system and the impact that the current system has on the performance of the organisation and employees.

Participation is entirely voluntary, and you may opt out at any time. The procedure to be followed is a quantitative research design, which entails a questionnaire. Confidentiality of the data is guaranteed, and only the combined results will be used for research and publication purposes. Therefore, the data gathered from the questionnaires will only be used for research purposes. You may also select the option not to answer the specific question should you feel like it. The study does not have a correct or incorrect answer to any of the questions.

Please indicate your consent

After reading the above information, I hereby give my consent that my data may be used as stated above.	YES	NO
I hereby give my consent that my demographic data may be used to develop a profile for the research.	YES	NO

Please complete every question/statement to ensure the validity and reliability of the study.

GENERAL INSTRUCTIONS

Virtually all questions may be answered by ticking (X) or **highlighting** the relevant block. Use the following key to indicate your preference:

SCALE	TERM USED
5	Strongly agree
4	Agree
3	Neither agree nor disagree
2	Disagree
1	Strongly disagree

Please select the number which best describes your opinion about a specific question or statement. In the example beneath, the respondent agreed to the statement listed.

		Strongly Disagree	Disagree	Neither agree nor	Agree	Strongly Agree
A03	My manager helps me to get my work done by removing obstacles in my way.	1	2	3	4	5

SECTION A: TYPE OF REWARD SYSTEM IN THE ORGANISATION

This section consists of 19 statements. Please indicate to what extent you agree or disagree with each statement. Please mark the applicable block with a cross (X).

		Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
A01	I know what is a reward system	1	2	3	4	5
A02	The organisation makes use of a non-financial reward system. (e.g. work recognition, interesting work, fair treatment, responsibility).	1	2	3	4	5
A03	The organisation makes use of a financial reward system (e.g. medical aid, bonuses, profit-sharing, incentives)	1	2	3	4	5
A04	I prefer competent supervision over profit-sharing	1	2	3	4	5
A05	I prefer recognition over bonuses	1	2	3	4	5
A06	I prefer incentives over responsibility	1	2	3	4	5
A07	I prefer medical aid over good policies and practices	1	2	3	4	5
A08	I prefer additional leave over bonuses	1	2	3	4	5
A09	My family benefits from the reward system	1	2	3	4	5
A10	The organisation has employee assistance programmes	1	2	3	4	5
A11	The organisation has employee recognition programmes	1	2	3	4	5
A12	The organisation provides profit sharing	1	2	3	4	5
A13	My current job encourages me to work for the organisation	1	2	3	4	5
A14	The organisation provides flexible work hours	1	2	3	4	5
A15	I rather choose a non-financial reward system	1	2	3	4	5
A16	I rather choose a financial reward system	1	2	3	4	5
A17	The organisation does performance reviews regularly	1	2	3	4	5
A18	The organisation provides annual bonuses	1	2	3	4	5
A19	I receive time off for working overtime.	1	2	3	4	5

SECTION B: CURRENT REWARD SYSTEM

This section consists of 16 statements. Please indicate to what extent you agree or disagree with each statement. Please mark the applicable block with a cross (X).

		Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
B01	I am familiar with the current reward system in the organisation	1	2	3	4	5
B02	The current reward system is for all the employee	1	2	3	4	5
B03	The current reward system in the organisation is active	1	2	3	4	5
B04	Other organisations that are in the same industry also use a similar reward system	1	2	3	4	5
B05	The current reward system is based on the values of the organisation	1	2	3	4	5
B06	The current reward system contributes to the current organisation strategy	1	2	3	4	5
B07	The current reward system adopts the organisation culture	1	2	3	4	5
B08	The current reward system enhances business performance	1	2	3	4	5
B09	The current reward system makes it easy to measure employee performance	1	2	3	4	5
B10	The current reward system accommodates organisation objectives	1	2	3	4	5
B11	The organisation provides employee insurance	1	2	3	4	5
B12	The current reward system addresses the need for performance in the the organisation	1	2	3	4	5
B13	The current reward system addresses the need of the employees	1	2	3	4	5
B14	The current reward system adopts the internal work culture of the organisation	1	2	3	4	5
B15	The current reward system accommodates the external environment of the organisation	1	2	3	4	5
B16	The current reward system enhances my work performance	1	2	3	4	5

SECTION C: PERCEPTION OF THE CURRENT REWARD SYSTEM

This section consists of 12 statements. Please indicate to what extent you agree or disagree with each statement. Please mark the applicable block with a cross (X).

		Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
C01	The current reward system is user friendly	1	2	3	4	5
C02	The current reward system keeps employees motivated	1	2	3	4	5
C03	I'm committed towards the current reward system	1	2	3	4	5
C04	The reward system facilitates to enhance work performance for me as employee	1	2	3	4	5
C05	The reward system facilitates to retain the best employees in the organisation	1	2	3	4	5
C06	The reward system facilitates to attract new employees	1	2	3	4	5
C07	The current reward system enhances business performance	1	2	3	4	5
C08	The current reward system adds value to the organisation	1	2	3	4	5
C09	The current reward system makes me work harder	1	2	3	4	5
C10	The current reward system is highly welcomed in the organisation	1	2	3	4	5
C11	I will recommend the use of the current reward system in any organisation	1	2	3	4	5
C12	Only management knows about my work performance	1	2	3	4	5

SECTION D: BACKGROUND INFORMATION

The following information is needed to help with the statistical analysis of data for comparisons among different interest groups. All your responses will be treated confidentially. Your assistance in providing this important information is appreciated.

D01	Indicate your gender	Male	Female
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D02	Indicate your age group	≤ 29	30 - 39	40 - 49	50 - 59	60+
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D03	Indicate your HIGHEST academic qualification					
	Lower than Grade 12					
	Grade 12					
	National certificate					
	National diploma					
	3-year degree					
	Postgraduate qualification					

D04	Management level					
	Senior management (Top management in finance, marketing, operations, HR, Sales, etc.)					
	Middle management (Technicians, team leaders, officers, etc.)					
	Workforce (Cleaners, general workers, technical assistance, reception, etc.)					
	Other					

D05	Years working for this company.					
	0-3					
	4-10					
	11-15					
	16-20					
	21 Years +					

D06	Years working in current position.					
	0-3					
	4-10					
	11-15					

16-20	
21 Years +	

D07	What is the MAIN economic sector of your company? (Choose only one)	
	Accounting and Finance Services	
	Communication Services	
	Construction and Related Engineering Services	
	Education Services	
	Environmental Services	
	IT and ITeS	
	Legal Services	
	Manufacturing Services	
	Travel, Transport and Logistics Services	
	Tourism and Hospitality Services	
	Other	

	If "other" briefly specify	

D08	Total employees working in the company	
	1-9	
	10-49	
	50-249	
	250 employees or more	

THANK YOU VERY MUCH FOR YOUR VALUABLE INPUT.

6.3 APPENDIX C: LANGUAGE EDITOR'S LETTER



Dynamic Language &
Translation Specialists

Antoinette Bisschoff
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Tel: 018 293 3046
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Language@dfts.co.za
CC No: 1995/017794/23

Wednesday, 03 December 2021

To whom it may concern

Re: Confirmation of language edit, typography and technical precision

The MBA dissertation "Investigating the influence of reward systems on employee performance in the service industry of Potchindustria and Potchefstroom Central" by W Schlebusch (26952572) was edited for language and technical precision. The referencing and sources were checked to comply with the Harvard guidelines specified by the 2020 NWU Reference guide.

Final, last-minute corrections remain the responsibility of the author.

Antoinette Bisschoff

BA Languages (UPE – now NMU); MBA (PU for CHE – now NWU); Translation and Linguistic Studies (NWU)

Officially approved language editor of the NWU since 1998
Member of SA Translators Institute (no. 100181)