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What we expect and what we get? Total rewards for potential employees

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Abstract

It would be advised that those who are looking to change their job or get a new one to be very well informed with respect to what kind of organizational rewards they can expect. In most of the cases, people want to be rewarded, but do not know what they need. Compatibility tests used in professional practice or job rotation on workstations are great possibilities to find out what kind of organizational rewards people are able to claim.

Without a doubt, total reward will be applied differently, depending of people's profile (age, seniority, skills, and so on). Usually students from master and PhDs have no work experience and yet, they ask from their first jobs for advancement opportunities. Well, this represent a wrong choice since beginners in work should focus first of all on professional development.

This paper explains in two stages, before employment (at the job interview) and after employment, what types of organizational rewards are in demand, according to students from master and PhD programs.

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Keywords: organizational rewards; job interview; post interview; potential employees; rewarding preferences.

1. A brief introduction to organizational rewards

In theory, the usefulness of total reward and the possibility of applying it into public or private environment, is already demonstrated. Studies show, however, that in order to obtain full reward models for organizations, it's mandatory to draw up a laborious methodology, that implies high costs for researchers and also for participants in the research (the productivity of employees at the workstation is null during the stages of research and thus, the company makes a financial effort for the study undertaken).

In literature, there is a considerable amount of research on the classification of organizational rewards, but it has

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not reach the point of exhaustion. Many of the terms used may also be redundant, and this problem arises due to the defective translation of concepts. When defining an organizational reward item, there must be specificity of the form, along with the explanation of content, and context of the term used. Essentially, the notion of total reward, according to Armstrong (2010), tends to reward people rather than motivate them with money. Paul Thompson suggests that the definitions of the total reward "not only includes traditional quantifiable elements such as fixed pay, variable pay and benefits, but also intangible, non-financial elements such as: opportunities for career growth, learning and development, intrinsic motivation provided by the work itself and the quality of professional life in the organization"(Armstrong, 2010).

Total reward has two sides: the financial one and respectively the non-financial one. Total remuneration involves everything that can be quantified in money. Basic salary is the "job rate", taking into account that fixed payment may increase depending on performance, skills, individual contributions (Armstrong and Murlis, 2007). According to Armstrong and Helen (2007), the non-financial rewards do not involve any direct payment, and arise from performing the work itself. Examples are: "autonomy in carrying out work tasks, recognition of merits, the use and development of skills, career opportunities, and so on "(Armstrong and Murlis, 2007).

A general form of process for total rewarding of human resources is the following:

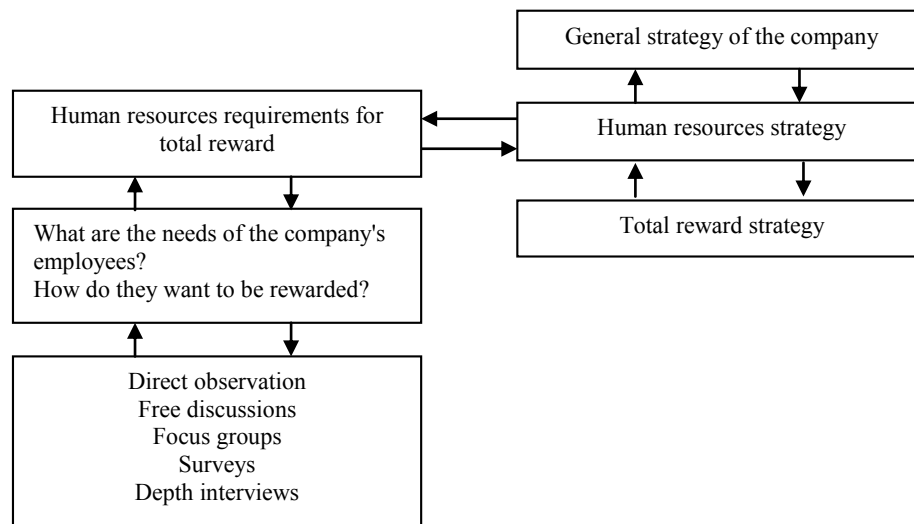


Fig. 1. The total reward general process
(Source: Lyons and Ben-Ora, 2002)

The human resources strategy follows the organization's direction, and the staff management department has a regular annual budget for employees' needs. A total rewarding process becomes relevant if well-known people are well-known for their work. This information can be analyzed by: direct observation, informal meetings, surveys, focus groups or in-depth interviews.

The questions that should always be asked to change or to adapt/ implement a full rewarding process in a company are: what are the needs of employees at the present? and how do people want to be rewarded at work? It is recommended to update the answers for these two questions whenever necessary, and not just annually, but as often as it is the case.

2. Research methodology

The starting point of the research, was the study "The Relative Influence of Total Rewards Elements on Attraction, Motivation and Retention" (Boswell et al., 2011). This study developed a model which implements total reward:

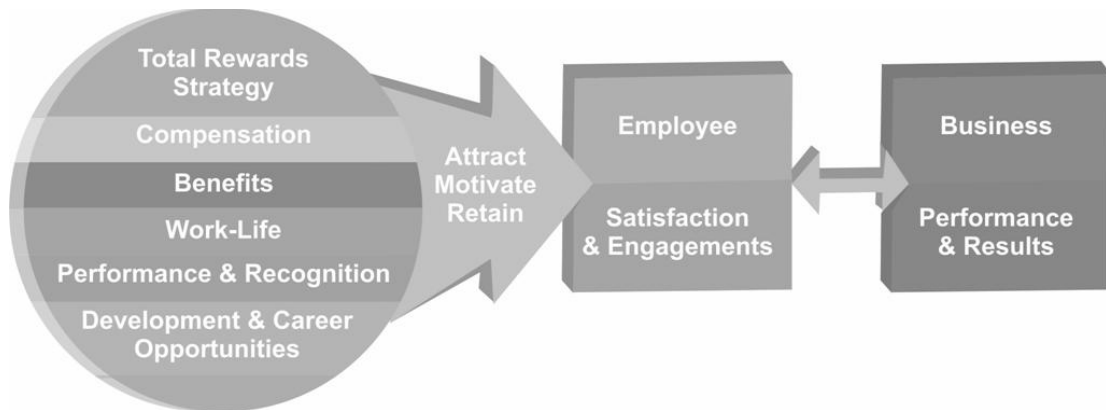


Fig. 2. The total reward model according to WorldatWork
(Source: <http://www.keywordsuggests.com>)

Further, the total reward model proposed by WorldatWork organization was chosen as a basic model. The arguments are as follows:

- The variables of interest of the model proposed by WorldatWork are present in all behaviors analyzed by human resources management (attraction, motivation and retention). If a researcher wishes to analyze a single behavior of interest, he can do it in detail using the model, and without affecting in any way the other processes. We specify that in the study from which the model was derived, all three behaviors were successfully analyzed at different times;
- The same variables of the model are constituted by sub-elements that can be modified according to the organizational culture, the intercultural specificity, the present legislation at a time, etc. Therefore, the variables are relative and flexible;
- The model clearly indicates where it starts, what strategy it uses and what results it wants to achieve (performance, satisfaction, commitment, etc.);
- From the starting point to the expected results, the model has a double perspective: on the one hand, the employees and on the other hand the company;
- The model it is designed in the context of the company's general strategy, the human resources strategy and the organizational culture, which makes the model possible to adapt for each company.

The research was based on five constructs:

- The importance of total rewards strategy during interviews/ after employment;
- The attraction to rewards for hiring/ maintaining in the company;
- Satisfaction for total rewards strategy.

For each of the five constructs were adjusted the following variables:

- Compensation;
- Benefits;
- Work-life balance;
- Development and career opportunities;
- Performance and recognition.

Other present variables, but independent, were included as it follows:

- Reasons for resignation;

- Separate life- work;
- Identification with the work performed;
- The ease for obtaining an ideal rewarding job;
- The time needed for employment to get employed on a similar position;
- Self-assessment of performance in the workplace;
- The importance of the following aspects: leisure, community, labor, religion and family.

3. Expectations and reality for organizational rewards. Are students prepared for total reward?

Table 1. Student' s preferences for organizational rewards before employment (B.E.)*

Typology of reward	Total		
	Mean	N	Std. Dev.
Monthly salary-B.E.	4.21	245	0.86
Premium salary-B.E.	3.81	245	0.97
Individual incentives-B.E.	3.96	245	0.97
Group incentives-B.E.	3.24	237	1.18
Organizational incentives-B.E.	3.34	238	1.27
Health benefits-B.E.	4.16	245	1.12
Retirement benefits-B.E.	3.84	245	1.26
Program flexibility-B.E.	4.25	245	0.96
Workplace flexibility-B.E.	3.43	245	1.23
Pay for time not worked-B.E.	4.08	245	1.04
Wellness and recreation services-B.E.	3.23	245	1.38
Work conditions-B.E.	3.76	245	1.27
Workplace safety-B.E.	4.32	245	1.09
Opportunities for community involvement-B.E.	2.98	243	1.22
Financial support for exceptional cases-B.E.	3.15	244	1.28
Advantages for employee status-B.E.	3.64	245	1.19
Initiatives for modernization-B.E.	3.36	244	1.10
Individual performance development-B.E.	3.66	245	0.93
Merit recognition-B.E.	3.74	245	1.11
Learning opportunities-B.E.	4.11	245	0.89
Mentoring/coaching programs-B.E.	3.87	245	1.19
Opportunities for promotion-B.E.	4.45	245	0.84
Assistance and help for relocation-B.E.	3.33	245	1.24
The prestige and reputation of the company- B.E.	3.86	244	1.04

Financial support for travelling-B.E.	3.31	245	1.50
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**Notes:*

1. Students scored grades ranging from 1 (minimum) and up to 5 (maximum) for each organizational reward;
2. There were appreciated the importance of the organizational rewards.

At the employment interview, master and PhD students obtained the highest scores for: advancement opportunities (4.45), job security (4.32), and program flexibility (4.25).

Table 2. Student' s preferences for organizational rewards post employment (P.E.)*

Typology of reward	Total		
	Mean	N	Std. Dev.
Monthly salary-P.E.	4.66	245	0.47
Premium salary -P.E.	4.20	245	0.82
Individual incentives-P.E.	4.27	245	0.92
Group incentives-P.E.	3.69	243	1.15
Organizational incentives-P.E.	3.57	245	1.30
Health benefits-P.E.	4.32	245	0.92
Retirement benefits-P.E.	4.23	244	1.06
Program flexibility-P.E.	4.53	245	0.74
Workplace flexibility-P.E.	3.51	245	1.24
Pay for time not worked-P.E.	4.31	245	0.87
Wellness and recreation services-P.E.	3.27	245	1.41
Work conditions-P.E.	3.82	245	1.19
Workplace safety-P.E.	4.44	245	0.98
Opportunities for community involvement-P.E.	3.10	243	1.30
Financial support for exceptional cases-P.E.	3.45	244	1.23
Advantages for employee status-P.E.	3.86	245	1.13
Initiatives for modernization-P.E.	3.34	244	1.16
Individual performance development-P.E.	3.93	245	1.01
Merit recognition-P.E.	4.04	245	1.06
Learning opportunities-P.E.	4.33	245	0.77
Mentoring/coaching program-P.E.	4.07	245	1.04
Opportunities for promotion-P.E.	4.56	245	0.92
Assistance and help for relocation-P.E.	3.60	245	1.20
The prestige and reputation of the company-P.E.	3.99	244	1.00

Financial support for travelling-P.E.	3.42	245	1.44
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**Notes:*

1. Students scored grades ranging from 1 (minimum) and up to 5 (maximum) for each organizational reward;
2. There were appreciated the importance of the organizational rewards.

Post employment, the top rewards were: monthly salary (4.66), advancement opportunities (4.56) and program flexibility (4.53).

The highest increases from pre-employment to post-employment occurred especially in the direct financial rewards. For respondents, it is very important to know from the job interview that they can have the opportunity for advancement. If job security is directly correlated with school's fees, students also need flexibility in order to balance studies and the job at the same time. Post employment, the last two rewards from pre-employment have been retained, and the monthly salary went up on the first place. The desire to advance from the beginning of the career (given that people in this typology do not have much professional experience) is really unfounded for practitioners. Career it is gradually building through work, proposing innovations in working processes, continuous collaboration and development. How else to claim advancement for students when learning and development opportunities are missing?

4. Conclusions and further research

The results obtained in this empirical research can be used in the processes of attracting and retaining human resources. It's very important to keep in mind that total reward negotiation can be carried out depending on the type of person which will be hired (employee from a multinational company, employee from a Romanian company, student). Each typology gives importance to different variables of total reward model.

The investigations made, have led to justifying the existence of a new conceptual model of rewarding specific to businesses in Romania. The arguments are as it follows:

- There it is a need for a total reward model for Romania;
- An updated model proposed holds a superior scientific utility compared to the testing of an existing model;
- The new model it is adapted to intercultural factors;
- When staff it is motivated with an appropriate organizational reward, there may appear creative solutions to business's customers, and thus, support a healthy economic growth.

All in all, students are not prepared to choose organizational rewards without any work experience. For these categories of people, it is necessary as a first step, to create opportunities for learning and development, in order to gain professionalism and experience. After a while, these potential employees can choose wittingly what rewards they really want and need at the same time.

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