The influence of organisational rewards on workplace trust and work engagement

Orientation: In volatile and competitive business environments, organisations are faced with challenges to retain talented workers. Employees are increasingly leaving their jobs for a number of reasons, one of them being a perceived lack of adequate reward practices. Consequently, this has impacted on employee work engagement and confidence and trust in organisations.

Research purpose: The study sought to determine whether there is a relationship between rewards, trust and engagement, as well as whether rewards are able to predict trust and engagement in the South African workplace.

Motivation for the study: Organisations can no longer solely rely on extrinsic rewards to retain talent. Companies must draw on both extrinsic and intrinsic reward strategies to improve retention levels through endorsing higher levels of workplace trust and work engagement levels.

Research design, approach and method: A quantitative, exploratory and cross-sectional research design was utilised. Non-probability sampling using questionnaires consisting of scales from the Job Satisfaction Survey, Intrinsic Motivation Inventory, Psychological Meaningfulness Scale, Basic Needs at Work Scale, Workplace Trust Survey and Utrecht Work Engagement Scale were administered to a sample (N = 251) of South African employees in various industries within the Gauteng region.

Main findings: Results indicated that there is a moderate-to-strong positive relationship between the three constructs, and that rewards are able to predict trust and engagement.

Practical and managerial implications: The findings provide insight for behavioural practitioners to potentially draw upon when improving talent management strategies. Both extrinsic and intrinsic rewards are important factors in keeping employees engaged and ultimately retaining them.

Contribution: The study provided insight into the influence that organisational rewards may have on workplace trust, work engagement and retaining employees. Findings contribute towards improving talent management strategies.

Introduction

The world of work has transformed drastically over the past two decades. With perpetual shifts in volatile environments, global firms are expecting their workforce to become equipped with more flexibility, new skill sets and the ability to adapt to the increasing pressures and demands that this emerging century presents (International Labour Office, 2006). What is more, organisations are competing with one another to attract and retain global talent (Kuptsch & Pang, 2006; Scott, McMulllen & Royal, 2012).

In the current economic climate, organisations are often forced to make changes to their reward and talent structures. This emanates as a result of organisations experiencing high turnover rates as skilled workers are increasingly leaving their current positions due to a perceived lack of adequate reward practices. This includes, for example, poor promotional opportunities, unsuitable pay structures, supervisory issues and challenges surrounding other benefits and incentives (Jiang, Xiao, Qi & Xiao, 2009; Nyaga, 2015; Robyn & Du Preez, 2013; Scott et al., 2012).

In an attempt to sustain organisational survival, downsizing and cost-saving practices through the use of reducing cost to company reward strategies have not only adversely impacted on employees’ levels of work engagement (Scott et al., 2012) but have also reduced their confidence and trust in organisations as well (Fehr & List, 2004; Reinardy, 2010).
Exploring talent management concepts such as organisational rewards, workplace trust and work engagement has thus become crucial for the survival of organisations during competitive times (Balakrishnan, Masthan & Chandra, 2013; Enguene, 2015; Hytter, 2007; Kompaso & Sridevi, 2010; Kwenin, Muathe & Nzulwa, 2013; WorldatWork, 2006).

**Literature review**

**Organisational rewards**

Organisational rewards are deemed important aspects within the workplace (Aslam, Ghaffar, Talha & Mushtaq, 2015; Bussin & Van Rooy, 2014). Rewards have been defined as the financial, non-financial and psychological benefits that an organisation provides to workers in return for their contributions and efforts (Bratton & Gold, 2003; Haider, Aamir, Hamid & Hashim, 2015). Over the years, there has been a gradual shift in the nature of rewards towards encompassing more than just basic pay. As such, rewards may be intrinsic (internal to an individual), extrinsic (external to an individual), monetary (financial), non-monetary (non-financial) and direct (compensation for work conducted) or indirect (additional benefits) and may be used for a multitude of reasons and purposes. For example, rewards are often used to enhance motivation or performance (Aktar, Sachu & Ali, 2012; Hamukwaya & Yazdanifard, 2014), attract and retain human capital (Bussin & Toerien, 2015; WorldatWork, 2006), increase work engagement (Ram & Prabhaker, 2011) and heighten job satisfaction (Oriarewo, Agbim & Owutuamor, 2013; Ram & Prabhaker, 2011), amongst others.

**Extrinsic rewards**

As a legal obligation and inherent to a job, extrinsic rewards are those salient incentives useful for attracting and retaining members of the workforce (Armstrong & Stephens, 2005; Nujjoo & Meyer, 2012). From a traditional perspective, Porter and Lawler (1968) defined rewards as the tangible benefits that employees receive for conducting their work. From a growing contemporary point of view, extrinsic rewards are increasingly being recognised and distinguished as either monetary or non-monetary in nature (Kimutai & Sakataka, 2015; Kshirsagar & Waghale, 2014).

Weatherly (2002) and Osa (2014) articulated that monetary rewards are those rewards which are tangible such as financial and money-driven incentives used to reward employee performance. Examples of these types of rewards include pay, promotion (which incorporates an increase in pay) and bonuses. Non-monetary rewards, on the other hand, are intangible and non-financial incentives such as fringe benefits and contingent rewards which comprise praise and personal recognition (Sajuuyigbe, Olaoye & Adeyemi, 2013; Weatherly, 2002). According to Malhorta, Budhwar and Prowse (2007) and Mottaz (1985) as cited in Nujjoo and Meyer (2012), other types of extrinsic non-monetary rewards include social rewards which constitute the interpersonal relationships between the employee and his or her supervisors and co-workers.

Ample evidence exists which supports that extrinsic rewards have an influence on employee motivation (Aktar et al., 2012; Arnolds & Venter, 2007; Bowen, 2000; Hafiza, Shah, Jamshed & Zaman, 2011). From an organisational perspective, work motivation is concerned with those aspects and forces that drive certain behaviours such as performing well (Omollo & Oloko, 2015; Takawira, Coetsee & Schreuder, 2014).

In past studies, it has been emphasised that extrinsic rewards are not motivators (Bowen, 2000; Oriarewo et al., 2013). Instead, they serve as those aspects which can either satisfy or dissatisfy a person. Wilson and Eckel (2003) argued that employees will only do the necessary to obtain an extrinsic reward (such as minimally doing what is required to obtain pay) which results in short-term compliance and which may ultimately lead to resentment. This is further confirmed by Wei and Yazdanifard (2014) who argued that monetary and financial rewards lead to satisfaction over the short term.

The need to explore extrinsic rewards in the workplace over the past decade has been highlighted by numerous authors. Van Aswegen et al. (2009) argued that leaders who place their sole focus on motivating employees by means of extrinsic rewards often come across difficulties in sustaining a motivated workforce. Armstrong and Stephens (2005) articulated that extrinsic rewards, and more specifically pay, may help an organisation attract and retain employees. In terms of short-term benefits, these authors both argued that tangible extrinsic rewards may help heighten levels of employee effort and reduce dissatisfaction.

**Intrinsic rewards**

Intrinsic rewards are commonly defined as the rewards which are generally obtained from an employee’s involvement in tasks and activities (Byars & Rue, 2011). Intrinsic rewards constitute rewards which are associated with personal and inner fulfilment that employees’ experience when they achieve something (Van Aswegen et al., 2009). They are intangible and self-generated in that they are psychological, positive, meaningful and encompass an emotional, work-related experience which individuals obtain from their work (Stumpf, Tymon, Favorito & Smith, 2013; Thomas, 2009).

Intrinsic rewards are classified in different ways (Jacobs, Renard & Snelgar, 2014) and have been found to drive employee motivation which includes meaningful work (Stumpf et al., 2013), autonomy, recognition, appreciation and challenging tasks, amongst others (Hafiza et al., 2011; Ozütük, 2012).

According to Thomas (2009), the changing motivational dynamics in the workplace have increased the need for intrinsic rewards. He proposed that employees in contemporary organisations need to be more self-managed. In this context, self-management means that employees direct their own work activities which includes a sense
of meaningfulness, choice, competence and progress (Jacobs et al., 2014; Thomas, 2009). For the purpose of this study, the focus of intrinsic rewards is based on any experience which provides an employee with work that is meaningful and reaps interest and enjoyment. Furthermore, intrinsic rewards include an employees’ perception of whether they have a sense of autonomy in their jobs (Ryan & Deci, 2000).

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

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

Owing to the changing nature of the workplace, there is an increasing need to study and explore the role that intrinsic rewards play within the workplace (Thomas, 2009). It has been discovered that intrinsic rewards have a significant influence on job satisfaction (Rafiq, Javed, Khan & Ahmed, 2012), motivation (Ram & Prabhaker, 2011), work engagement (Jacobs et al., 2014) and work performance (Aktar et al., 2012).

**Total rewards**

As opposed to rewarding employees solely through pay and monetary benefits, the concept of total rewards provides a holistic approach to viewing rewards that employees receive from engaging in the employment relationship (Nazir, Shah & Zaman, 2012). Total reward strategies encapsulate the sum total of those financial, non-financial, intrinsic and extrinsic rewards, which are made available to an organisation’s human resources (Armstrong & Stephens, 2005; Tsede & Kutin, 2013). Moreover, total rewards encapsulate all aspects of a job that employees perceive as valuable (WorldatWork, 2006). For the purpose of this study, total rewards are defined as the inclusion of all monetary and non-monetary returns (intrinsic and extrinsic rewards) that employees receive for investing their time, effort, energy, talents and results in their work (Armstrong & Stephens, 2005; Hotz, 2014; WorldatWork, 2006).

From a talent perspective, total rewards’ strategies have been found to contribute towards attracting, motivating and retaining valuable talent in the workplace (Bussin & Toerien, 2015; Makhuzeni & Barkhuizen, 2015; WorldatWork, 2006). While some researchers argued that total rewards have been used to improve organisational competitiveness in the rapidly changing global markets (Jiang et al., 2009), other scholars have recognised that total rewards may be used as a strategy to enhance employee engagement (Hotz, 2014; WorldatWork, 2006).

**Workplace trust**

Another important behavioural-related aspect that should not be overlooked in the retention of top talent is workplace trust (Chitsaz-Isfahani & Boustani, 2014; Enguene, 2015; Hytter, 2007).

A commonly accepted definition of trust in literature is hard to find (Bagram & Hime, 2007; Bews & Martins, 2002; Hakanen & Soudunsaari, 2012). Trust is often defined in terms of one’s vulnerability to the actions of others and that the belief in others’ intentions and behaviours will lead to positive outcomes (Hakanen & Soudunsaari, 2012; Kreitner & Kinicki, 1995; Mayer, Davis & Schoorman, 1995; O’Brien, 2001).

Ferres, Connell and Travaglione (2004) stated that corporate forms of trust can be classified within three dimensions, namely, trust in the organisation, trust in management and trust in co-workers. Bagraim and Hime (2007) stipulated that trust in the organisation constitutes a systems form of trust. Organisational trust thus entails the confidence that an individual has in the company itself rather than in a particular person or group of people (Galford & Drapeau, 2002; Paliszkwicz, 2011).

Trust in co-workers and in immediate management represents an interpersonal form of trust (Bagraim & Hime, 2007; Galford & Drapeau, 2002). Interpersonal trust is often regarded as the ‘hallmark of effective relationships’ (Dirks, 1999, p. 3) or the ‘social glue’ of affiliations within an organisation (Abrams, Cross, Lesser & Levin, 2003). It further refers to the perception that an individual has as to whether another person can be trusted under particular circumstances, either personally in their intentions, or in their attributes (Brown, Gray, McHardy & Taylor, 2015; McKnight & Chervany, 2001; Tan & Lim, 2009).

Ample literature has identified the need to study trust within an organisational setting. Six, Nooteboom and Hoogendoorn (2010) argued that trust is an important aspect during change events and, as such, provides one with the
ability to support change. The dynamics of trust and the potential value thereof can have a major influence on organisational functioning and behaviour. For instance, commitment and acknowledgement shown to organisational objectives and company values by employees, with a high degree of trust, tend to display more diligence and higher levels of productivity and innovation (Lyman, 2003; O’Brien, 2001; Sonnenberg, 1994).

Trust is, furthermore, seen to uphold cooperation within the workplace as it allows for the encouragement of information sharing, enhanced relationships amongst individuals and teams and enriches problem-solving and conflict resolution, which leads to better organisational performance (Brown et al., 2015; Lyman, 2003; Six et al., 2010).

Work engagement

Organisational rewards and workplace trust have been found to lead to an increase in work engagement (Engelbrecht, Heine & Mahembe, 2014; Ram & Prabhakar, 2011; Sundaray, 2013; Thirapatsakun, Kuntonbutr & Mechinda, 2014). This study supports the commonly accepted definition by Schaufeli, Salanova, Gonzalez-Roma and Bakker (2002, p. 74) who define work engagement as ‘the positive, fulfilling, work-related state of mind that is characterised by vigour, dedication and absorption’.

Vigour refers to elevated energy levels, the willingness to invest effort in one’s work, one’s mental resilience and one’s persistence in the face of difficulties while dedication is a sense of enthusiasm, pride, inspiration and challenge (Altunel, Kocak & Cankir, 2015; Schaufeli et al., 2002). Schaufeli and Bakker (2003) expressed vigour and dedication as the most important dimensions of work engagement. Absorption, on the contrary, is characterised by one being satisfied with and immersed in work to the extent to which the individual encounters an optimal experience (Bell & Barkhuizen, 2011; Csikszentmihalyi, 1990).

Literature has shown that employees who are engaged in their work demonstrate higher levels of productivity, efficiency and a sense of personal accomplishment in their work, take initiative and persist with challenging and demanding tasks (Holbeche & Matthews, 2012; Rothmann & Jordaan, 2006). Furthermore, work engagement helps to boost employee motivation, morale, job satisfaction and psychological wellbeing. On the contrary, employees who are not engaged in their work tend to depict less commitment and are more likely to leave their organisation or quit their jobs (Hoole & Bonnaema, 2015; Rich, Lepine & Crawford, 2010; Saks, 2006).

The relationship between organisational rewards and workplace trust

Research about the relationship between organisational rewards and workplace trust is infrequent, fairly outdated and fragmented. Burke (2002) suggested that extrinsic rewards may assist employees in developing trust. On the contrary, Tzafrir (2005) argued that managers are more likely and willing to increase compensation and incentive plans when they perceive their subordinates to be trustworthy.

The relationship between extrinsic rewards and workplace trust is not always optimistic. Fehr and List (2004) found that employees can perceive incentives as either hostile (negatively; as a threat or punishment) or as kind (positively; incentives given out of sincerity). When employees perceived their incentives in a more negative light, they were found to have a more harmful and unfavourable influence on certain behaviours such as reduced workplace trust. Similarly, Brown et al. (2015) argued that when organisations limit and reduce overtime pay, workplace trust may be weakened.

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

Ferrin and Dirks (2004) noted that organisational rewards may have a strong and predictable influence on interpersonal trust. They suggested that rewards can influence trust by means of altering employees’ perceptions about the motives of others and evaluate their behaviours based on reward structures. Organisational leaders, subordinates and rewards play an imperative role in establishing a climate of workplace trust. When subordinates can be perceived as trustworthy and valuable by their superiors, organisational leaders are more inclined to nourish and enhance their loyalty through the use of rewards (Philips, 1997). In light of outdated findings, the influence of organisational rewards on trust is not only fragmented but limited. The investigation of this relationship is thus an area of research, which needs further exploration, particularly within the South African context.

The relationship between organisational rewards and work engagement

A number of previous studies have found a positive relationship between organisational rewards and work engagement (Gill, Dugger & Norton, 2014; Hulkko-Nyman et al., 2014; Jacobs et al., 2014; Masvaure, Ruggunan & Maharaj, 2014; Sanhari, 2014; Yahya, Isa & Johari, 2012; Zhijian & Tianshu, 2013).
While research demonstrated that extrinsic rewards lead to higher levels of work engagement, the social exchange theory further supports this relationship. This theory holds that when employees receive rewards and recognition for their efforts exerted on a job, they will participate in a fair exchange through responding with increased work engagement (Guiral & Jain, 2013; Ram & Prabhakar, 2011; Waqas & Saleem, 2014).

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

Roberts and Davenport (2002) articulated that a work environment that reaps more types of rewards for employees can lead to an increase in work engagement. In addition, Ram and Prabhakar (2011) found that through the use of both intrinsic and extrinsic rewards, employees were more engaged in their work. Although much of the research has highlighted that the use of intrinsic rewards may lead to higher levels of work engagement, the use of extrinsic rewards should not be overlooked in the exploration of drawing on both types of rewards to ensure that employees are more engaged in their work (Obicci, 2015; Ram & Prabhakar, 2011; Roberts & Davenport, 2002; WorldatWork, 2006).

The relationship between workplace trust and work engagement

Literature provides ample support indicating a positive relationship between workplace trust and employee engagement (Chughtai & Buckley, 2008; Engelbrecht et al., 2014; Men, 2015; Mone & London 2010; Ugwu, Onyishi & Rodriguez-Sanchez, 2014).

Costigan, Ilter and Berman (1998) noted that when employees perceive their supervisors to be competent and supportive, they are more likely to trust their superiors when workplace issues arise. Similarly, Ugwu et al. (2014) discovered that workplace trust has a significant and strong positive relationship with work engagement. Research carried out by Chughtai and Buckley (2008) as well as Mone and London (2010) proposed that having a good degree of workplace trust can result in increased work engagement. Men (2015) confirmed this in his study in the United States, finding that the quality of employee–organisational relationships (including trust) positively influences engagement.

To conclude, organisational rewards (Bussin & Toerien, 2015; Jacobs et al., 2014; Nujjoo & Meyer, 2012), workplace trust (Krot & Lewicka, 2012; Sousa-Lima, Michel & Caetano, 2013) and work engagement (Bedarkar & Pandita, 2014; Beukes & Botha, 2013) are important behavioural-related concepts within today’s world of work. With high turnover rates and the poor global economic climate, these concepts are significant for behavioural practitioners who invest time and energy into improving their talent management strategies for the purpose of seeking to retain skilled and valuable employees.

Problem statement and research questions

Retaining a skilled workforce has become a major concern and challenge for many organisations, particularly within South Africa (Kerr-Phillips & Thomas, 2009; Muteswa & Ortlepp, 2011; Terera & Ngirande, 2014; Visser 2012). Organisations are moving away from traditional organisational reward practices in which salaries, bonuses and other concrete benefits are no longer being used as the only means for motivating and retaining their employees (Jacobs et al., 2014). These rewards alone are no longer effective in establishing workplace trust and ensuring that employees will be more engaged in their work (Jacobs et al., 2014; Martins & Von der Ohe, 2002; Scott et al., 2010).

It is, therefore, important that organisations aim to create favourable conditions for employees to reduce staff turnover and retain human capital. It is for this reason that South African organisations need to continually improve and better their talent management strategies by focusing on aspects such as organisational rewards to enhance workplace trust and work engagement. Against this background, the study sought to answer the following research questions:

- Question 1: Is there a relationship between organisational rewards, workplace trust and work engagement?
- Question 2: Do intrinsic rewards predict workplace trust and work engagement?
- Question 3: Do extrinsic rewards predict workplace trust and work engagement?
- Question 4: Do total rewards predict workplace trust and work engagement?

Objectives of the study

Research findings pertaining to organisational rewards, workplace trust and work engagement within the corporate South African context are limited. In addition, research is still largely growing as many gaps in the literature are prevalent. To contribute towards the body of knowledge through filling some of the recognised gaps, this research study primarily aimed to explore the relationship between organisational rewards, workplace trust and work engagement within the South African employment context. In addition, the research study sought to determine whether intrinsic and extrinsic organisational rewards predict workplace trust and work engagement.

Conceptual model

In light of the aforementioned problem statement, literature review and overall aims of the research study, Figure 1...
demonstrates the conceptual model with regard to exploring whether there is a relationship between organisational rewards, workplace trust and work engagement and, additionally, to determine whether organisational rewards are able to predict workplace trust and work engagement.

Research design

A quantitative, exploratory, cross-sectional research design was employed. Participants were selected based on their availability and willingness to participate. To be included in the study and increase the validity of the results, participants must have had at least one full year of working experience, had completed Grade 12 and been able to complete the questionnaire in English.

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

To collect data from the participants, a non-probability convenience sampling procedure was utilised. This sampling technique entails selecting participants from a target population based on the researcher’s convenience and access to participants (Ross, 2005). In addition, this technique is used to select participants who are readily available to the researcher at the time of data collection (Zikmund, 2003). Advantages of utilising this technique include that it is less expensive than other techniques, less time-consuming and easier to utilise when obtaining participants.

A total of 350 questionnaires were distributed to employees in various industries and sectors within the Gauteng region. All necessary steps in line with ethical considerations were taken to ensure anonymity and confidentiality. After a data vetting process took place, the final random sample consisted of 251 South African employees (N = 251).

The final sample consisted of 42.6% men and 57.4% women. Their ages ranged between 17 and 72 years, with the majority of the participants falling into the 26–36 age category. The distribution with regard to ethnicity was black people (n = 55; 21.9%); mixed race (n = 16; 6.4%); Indian or Asian (n = 16; 6.4%); white people (n = 163; 64.9%) and other (n = 1; 0.4%). The three main language groups were English (42.6%), Afrikaans (32.7%) and isiZulu (13; 5.2%). Regarding education, the majority of participants had a Grade 12 level education (36.3%), followed by having a diploma or certificate (25.5%) and a bachelor’s degree (12.4%). In terms of working experience, the distribution was more or less equal, representing 1–5 years’ experience (24.3%), 5–10 years (26.7%), 10–20 years (23.9%) and 20+ years of working experience (25.1%). With regard to the industry that participants were currently employed in, the sample was well distributed.

Measuring instruments

The questionnaire consisted of seven measures including a demographic and biographical information section compiled by the researchers. To our knowledge, there is no strong instrument measuring extrinsic and intrinsic rewards available. The researchers, therefore, resorted in using different subscales to measure the different components of rewards; as was introduced in the literature review. The measures utilised in the questionnaire are briefly introduced.

Extrinsic rewards

Job Satisfaction Survey (JSS) was developed by Spector (1985). The JSS is designed to measure perceptions and attitudes regarding various aspects of an individuals’ job. Four subscales comprising four items each were selected from this instrument, which included pay, promotion, fringe benefits and contingent rewards. Respondents were required to indicate their responses on a six-point Likert-type scale ranging from 1 (disagree very much) to 6 (agree very much). Examples of items include: ‘I feel I am being paid a fair amount for the work I do’ and ‘I am satisfied with my chances for promotion’. Spector (1985) reported a Cronbach alpha reliability coefficient of 0.91 for the overall scale and coefficients of 0.75, 0.73, 0.73 and 0.76 for the subscale scores, respectively. Within the South African research context, Lumley, Coetze, Tadinyane and Ferreira (2011) reported satisfactory Cronbach alpha coefficients of 0.78, 0.78, 0.72 and 0.76, respectively.

Intrinsic rewards

Intrinsic Motivation Inventory (IMI) was developed by McAuley, Duncan and Tammen (1989). The IMI is designed to measure participants’ subjective work-related experiences regarding intrinsic motivation. The interest or enjoyment subscale was selected from this instrument. This subscale comprised seven items, which were measured using a seven-point Likert-type scale. Respondents were required to indicate their responses ranging from 1 (not true at all) to 7 (very true). An example of an item includes: ‘I enjoy doing this activity very much’. Previous studies yielded a Cronbach alpha reliability coefficient of 0.78 (McAuley et al., 1989) and 0.89 (Monteiro, Mata & Peixoto, 2015). Within the
South African context, Masvaure et al. (2014) reported an alpha coefficient of 0.75.

**Psychological Meaningfulness Scale (PMS)** was developed by Spreitzer (1995). The PMS is designed to assess psychological meaningfulness in the workplace. It consists of six items, which are measured on a five-point Likert-type scale and assess the degree to which individuals assign meaning to their job-related tasks. Responses range from 1 (totally agree) to 5 (totally disagree). Examples of items include: ‘The work I do on this job is worthwhile’, ‘My job activities are important to me’ and ‘I feel that the work I do on this job is valuable’. This scale has frequently been used within the South African context, where acceptable Cronbach alpha coefficients have been reported. For instance, Williamson (2011) and Van Zyl, Deacon and Rothmann (2009) reported a reliability coefficient of 0.85, whereas Rothmann and Hamukang’andu (2013) reported a reliability coefficient of 0.67.

**Basic Psychological Needs at Work Scale (BPNWS)** was developed by Deci and Ryan (2000). The BPNWS is designed to measure intrinsic need satisfaction in specific domains within one’s life. To measure autonomy at work, the autonomy at work subscale was selected from this instrument. It consists of seven items that are measured on a seven-point Likert-type scale, with responses ranging from 1 (not true at all) to 7 (very true). Examples of items include: ‘I feel pressurised at work’ and ‘When I am at work, I have to do what I am told’. In their study, Deci et al. (2001) reported a Cronbach alpha coefficient of 0.85 for the autonomy at work subscale. In a more recent study, Stäbler, De Boer and Rosema (2016) found an adequate reliability coefficient of 0.70. In addition, Coetzer (2014) found a Cronbach alpha coefficient of 0.82 within the South African pharmaceutical industry.

**Workplace trust**

**Workplace Trust Survey (WTS)** was developed by Ferres (2001). The WTS is designed to measure trust within organisations. It consists of 36 items that measure three subscales: namely, trust in organisations, trust in co-workers and trust in supervisors. These subscales comprise 12 items each, which are measured using a seven-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree). Examples of items include: ‘I believe that my manager follows promises through with action’ and ‘I think that my co-workers act reliably from one moment to the next’. A high measure of internal consistency was found by James (2011) who reported an alpha coefficient of 0.97. Cronbach alpha reliability coefficients between 0.90 and 0.97 in both the South African and Australian context have further been reported (Ferres, 2001).

**Work engagement**

**The Utrecht Work Engagement Scale (UWES – 17 item)** was developed by Schaufeli et al. (2002). The UWES is designed to measure work engagement. It comprises 17 items that measure vigour, dedication and absorption (the three subscales of work engagement). To rate the items, a seven-point Likert-type scale is used, with responses ranging from 0 (never) to 6 (always). Examples of items include: ‘At my work, I am bursting with energy’, ‘I find the work that I do full of meaning and purpose’ and ‘I am immersed in my work’. Research has shown that the UWES has satisfactory reliability. Cronbach alpha reliability coefficients have been reported at between 0.68 and 0.91 (Schaufeli et al., 2002). In a South Africa study, De Bruin, Hill, Henn and Muller (2013) found reliability coefficients of 0.88, 0.91 and 0.85 for the subscales.

**Statistical analysis**

The statistical analysis was carried out using SPSS version 22 (SPSS Inc., 2013). To analyse the data from the responses in the questionnaires, descriptive statistics (means, medians and standard deviations) and reliability tests utilising Cronbach alpha (Cronbach, 1951) for each scale were used to determine internal consistency, validity and homogeneity of the measuring instruments. Pearson’s product-moment correlation and Cohen’s effect size (Cohen, 1988) were selected to investigate the relationship between organisational rewards, workplace trust and work engagement. Standard multiple regression analysis was conducted to determine whether intrinsic rewards, extrinsic rewards and total rewards predicted workplace trust and work engagement.

**Results**

**Descriptive statistics**

To determine normal distribution and provide more information on the scales and instruments used, descriptive statistics were executed (see Table 1). The scales all fell well within the generally acceptable range of < 2 and < 4 (Finch & West, 1997) and were all normally distributed.

Table 1 depicts the alpha coefficients and normality scores for the scales utilised. Most of the scales were found to be satisfactory in accordance with the guideline of > 0.70 (Nunnally & Bernstein, 1994). The highest reliabilities amongst the scales included trust in organisation (α = 0.95), trust in supervisors (α = 0.95) and trust in co-workers (α = 0.96), followed by psychological meaningfulness (α = 0.93). The scales that produced the lowest reliabilities included contingent rewards (α = 0.59), fringe benefits (α = 0.61) and promotion (α = 0.62).

**Correlation analysis**

To answer the primary research question, Pearson’s product-moment correlations were calculated (see Table 2). The results indicated that extrinsic rewards have a statistically and practically significant relationship with intrinsic rewards (r = 0.42; p < 0.01; medium effect), total rewards (r = 0.90; p < 0.01; large effect), workplace trust (r = 0.68; p < 0.01; large effect) and work engagement (r = 0.34; p < 0.01; medium effect). It was further found that intrinsic rewards have a statistically and practically significant
relationship with total rewards ($r = 0.77$; $p < 0.01$; large effect), workplace trust ($r = 0.46$; $p < 0.01$; medium effect) and work engagement ($r = 0.53$; $p < 0.01$; large effect), whereas total rewards have a statistically and practically significant relationship with workplace trust ($r = 0.69$; $p < 0.01$; large effect) and work engagement ($r = 0.50$; $p < 0.01$; large effect). Workplace trust produced a statistically and practically significant relationship with work engagement ($r = 0.52$; $p < 0.01$; large effect).

**Multiple regression analysis**

In response to the secondary research questions on whether intrinsic and extrinsic rewards can predict workplace trust and work engagement, multiple regression analysis (using the method proposed by Field, 2013) was utilised.

Table 3 summarises the regression analysis with extrinsic rewards, intrinsic rewards and total rewards as predictors of workplace trust. Intrinsic rewards were entered in Step 1 and proved to be a statistically significant predictor of workplace trust, explaining 21% of the variance in workplace trust. Extrinsic rewards were entered in Step 2 and was also shown to be a statistically significant predictor of workplace trust, explaining an additional 49% of the variance in the total model ($F(2.241) = 118.41$, $p < 0.001$). The model demonstrated that extrinsic and intrinsic rewards combined explained 70% of the variance in workplace trust. Regarding total rewards as a predictor of workplace trust, this variable was excluded from the rest of the analysis as it did not explain any additional variance.

Table 4 summarises the regression analysis with intrinsic rewards, extrinsic rewards and total rewards as predictors of work engagement. Intrinsic rewards were entered in Step 1 and statistically significantly predicted work engagement, explaining 28% of the variance. Thereafter, extrinsic rewards were entered in Step 2 and also statistically significantly predicted work engagement, explaining an additional 29% of the variance of the total model [$F(2.241) = 51.44$, $p < 0.001$]. The model indicated that intrinsic and extrinsic rewards combined explained 57% of the variance of work engagement. Regarding total rewards as a predictor of work engagement, this variable was excluded from the rest of the analysis as it did not explain any additional variance.

**Discussion**

The study sought to explore the relationship between organisational rewards, workplace trust and work engagement within the South African employment context and also aimed to determine whether intrinsic and extrinsic organisational rewards were able to predict workplace trust and work engagement. The research results in accordance with the objectives of this study encapsulate what follows.

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

The first objective of this research study was to determine whether there is a relationship between organisational rewards, workplace trust and work engagement. Results revealed that the relationship between extrinsic rewards and workplace trust produced a correlation of 0.68 (large effect). A correlation of 0.46 (medium effect) was found between intrinsic rewards and workplace trust. Regarding the correlation between total rewards and workplace trust, a correlation of 0.69 (large effect) was found. The results indicated that the relationship between both intrinsic and extrinsic rewards, as well as total rewards and workplace trust, was statistically significant. This is an encouraging result indicating that organisations can utilise their reward structures to improve their employees’ trust and work engagement levels and ultimately have a positive effect on other outcomes such as productivity, performance,
organisational commitment and job satisfaction. The findings are in line with previous research reporting that organisational rewards are related to workplace trust (Burke, 2002; Engelbrecht et al., 2014; Fehr & List, 2004; Ferrin & Dirks, 2004; Gneezy, Meier & Rey-Biel, 2011; Tzafrir, 2005; Van der Berg & Martins, 2013).

One can, therefore, infer that higher levels of organisational rewards (intrinsic, extrinsic or both) imply a higher degree of workplace trust. A potential explanation of this finding is that organisations that promote a high trust climate are more likely to reward employee effort on the job through the use of intrinsic and extrinsic rewards. In particular, organisational leaders who trust their subordinates may be more likely to perceive them as valuable and, as such, take measures to nurture and develop their loyalty (Philips, 1997; Chen, Hwang & Liu, 2012). Developing and nurturing employee loyalty may be generated intrinsically through providing employees with meaningful work, autonomy and tasks, which reap interest or enjoyment and extrinsically through providing employees with recognition and through rewarding exceptional performance by means of increasing pay, promoting employees and providing them with higher levels of fringe and contingent rewards and other benefits. Another possible explanation of this relationship may be that employees who have high levels of trust in their supervisors, co-workers and organisation may be more productive (Sonnenberg, 1994). This can further signify higher extrinsic rewards (such as pay increases) as a result of heightened productivity and being appraised on a performance basis (Njanja, Maina, Kibet & Njagi, 2013).

The relationship between organisational rewards and work engagement

The relationship between organisational rewards and work engagement has extensively been explored (Hotz, 2014; Hulkko-Nyman et al., 2014; Jacobs et al., 2014; May et al., 2004; Rothmann & Rothmann, 2010; Schaufeli & Bakker, 2003; Thomas, 2009; Zhijian & Tianshu, 2013). The findings in this study demonstrated that different types of organisational rewards, both extrinsic and intrinsic, have a statistically and practically positive relationship with work engagement. These findings support previous research, which found similar results (Jacobs et al., 2014; May et al., 2004; Rothmann & Rothmann, 2010; Schaufeli & Bakker, 2003; Thomas, 2009).

In addition, a statistical significant correlation between total rewards and work engagement was reported, providing further support to previous findings (Hotz, 2014; Ram & Prabhakar, 2011; WorldatWork, 2006).

Based on the result, it can be potentially inferred that the higher the organisational reward (intrinsic and extrinsic), the more engaged employees will be in their work. Interestingly, similar to the findings of Schaufeli and Bakker (2003) and Thomas (2009), intrinsic rewards produced the highest correlation with regard to work engagement. When employees are provided with higher levels of intrinsic rewards, they tend to exert more effort, dedication and involvement in their work.

The relationship between workplace trust and work engagement

As outlined in the literature review, many authors support the idea that workplace trust and work engagement are related (Chughtai & Buckley, 2008; Engelbrecht et al., 2014; Ferrin & Dirks, 2004; Hassan & Ahmed, 2011; Men, 2015; Mone & London, 2010; Ugwu et al., 2014). In the current study, a statistically significant correlation (large effect) was found between workplace trust and work engagement. This implies that the higher employees’ level of workplace trust is, the higher their level of engagement in their work would be.

This may be due to employees perceiving that there are additional resources such as support and instrumental assistance available to them, which they could potentially draw upon when needed. For example, when employees perceive their superiors to be competent, they are likely to possess more trust, confidence in and reliance on them when and if job-related challenges do arise (Chughtai & Buckley,
In terms of extrinsic rewards, employees who feel rewarded and recognised for their efforts may feel more satisfied and, therefore, exert more effort and engagement in their work (Waqas & Saleem, 2014). The social exchange theory supports this result, which holds that when employees are rewarded for their work efforts, they participate in an exchange of providing their organisation with increased work engagement (Gujral & Jain, 2013). In light of both rewards, a rewarding work environment can help employees to be more engaged at work (Roberts & Davenport, 2002).

**Limitations**

Throughout this study, several limitations were identified. Firstly, the cross-sectional research design may serve as a limitation as it makes it difficult to determine causal inferences about the relationships between the three constructs. Secondly, to collect data from participants, the collection method relied exclusively on self-report measures. The utilisation of this method could potentially lead to social desirability bias as respondents may have had the tendency to respond in a more socially acceptable and positive light. Thirdly, the sample size was relatively small ($n = 251$) and data were only collected within the Gauteng region. This may have limited the generalisability of the findings. The fourth limitation of the study encapsulates the relatively low reliabilities of the promotion, fringe benefits and contingent rewards subscales used to measure extrinsic rewards. Particularly, the alpha coefficients did not meet the intended cut-off value of $> 0.70$. A possible explanation for this could be that these variables were measured using subscales adapted from the JSS and only contained four items each. The final limitation regards the scales utilised to measure organisational rewards. Unfortunately, access to instruments for measuring both intrinsic and extrinsic rewards proved challenging. Limited rewards instruments are available.

**Recommendations**

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

In addition, it is recommended that the impact that organisational rewards have on other variables such as job satisfaction, employee loyalty, motivation and commitment be explored as these could prove useful and valuable within the talent management domain. It might also be valuable and
interesting to determine whether additional factors such as gender and age moderate this relationship. The final recommendation for this study would be to develop and validate instruments for the measurement of both intrinsic and extrinsic rewards that can ultimately be made readily available to researchers, academics and scholars within the management and behavioural sciences. As such, the above recommendations would prove valuable to human resources practitioners and industrial psychologists who wish to better understand the influence that organisational rewards may have on trust and engagement within the workplace, this study further provided relevant insight into how management and other behavioural specialists could make use of tangible, non-tangible and psychological rewards to enhance human-related strategies for the purpose of heightening employee retention within the modern world of work.

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Authors’ contributions

C.H. was the supervisor of the research study. She was responsible for making conceptual contributions to the study, data analysis and writing of the article. J.V. was responsible for conceptual contributions to the study; she was the main contributor to the literature review and was responsible for data collection, data capturing and some statistical analyses.

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