

The Effects of Cultural, Demographic and Occupational Variables on Individuals' Work  
Values and Preference for Workplace Reward Type and Allocation

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### **Abstract**

There is a need for organisations and managers to acknowledge and respond to the increasing diversity in the New Zealand labour force, through making appropriate changes in structures, systems and management. By gaining a greater understanding as to how individuals differ in their work values and reward preferences, the effects of this diversity can be explored and findings could help inform the development of effective compensation systems. This study used a New Zealand sample of 521 participants to investigate the effects of cultural, demographic and occupational variables on work values and preference for workplace rewards and allocations. More specifically, it was hypothesised that differences in culture, marital status, dependents, age, managerial status and employment status would lead to differences in work values and preferences for workplace rewards and allocations. Results showed considerable support for hypotheses. Among findings, within-country cultural differences were reported for Stability work values and for financial reward preference. Certain demographics and occupational variables were also found to relate to particular work values and reward preferences. Practical implications and limitations of this study are discussed.

## **Introduction**

### *Compensation Systems and Preference for Workplace Rewards*

In a competitive economic climate, modern day organisations are facing pressure to constantly improve their outcomes and retain high performers in order to match or out-perform competitors, if not merely to survive. Growing competition in the labour market has meant organisations are faced with the increasing challenge of making jobs as appealing as possible to attract and retain high quality employees (Lawton & Chernyshenko, 2008). Given that the employees of an organisation themselves can serve as a powerful source of competitive advantage, effective management of human resources is essential to the effectiveness of organisations (Fey, Morgulis-Yakushev, Pak & Bjorkman, 2009). In the last decade, researchers have acknowledged a shortage of supply in the New Zealand labour market, and subsequently, a need for more research into the causes and effects of labour turnover in order to improve organisations' ability to retain highly skilled employees (Boxall, Macky, & Rasmussen, 2003). A Department of Labour (2012) statistical report confirms that the unemployment rate in New Zealand has decreased in the last year, making the need for effective attraction and retention strategies as prominent now as ever.

The compensation or rewards system of an organisation is one such human resource practice that can be used as a tool to attract potential employees, and motivate and retain those already employed (Haslinger & Sheerin, 1994). Additionally, research conducted in New Zealand organisations indicates that employees expect management to recognise employee merit in their performance, development, or other contribution to their organisation (Boxall et al., 2003). This system can be a key driving force of an organisation, if utilised effectively, and serve to benefit both the employer and the employee. Traditionally, rewards offered to employees primarily included monetary or financial rewards limited to a set salary

or hourly rate. However, modern day workplaces are now recognising that to get the best performance and motivation out of their employees, they need to offer employees a greater variety of rewards that are valued by employees, which may not necessarily be limited to those that are monetary based.

Organisations are increasingly offering employees a much wider variety of non-traditional rewards and benefits, such as the opportunity to attend paid job-related workshops or conferences, and receive paid extra annual leave. Employees are also offered a variety of different reward allocation types, where rewards may be distributed collectively, based on team, unit, departmental or organisational performance, as well as individually. Research confirms that employees are increasingly interested in such non-traditional benefits (Haslinger & Sheerin, 1994) and possibly more so at different stages of their working lives. This indicates the preferences and values of employees evolve and are subject to change, thus an important part of designing a reward or compensation system is ensuring the rewards offered continue to remain valued by employees. Organisations need to offer employees rewards that are highly valued to ensure the cost of supplying such rewards is outweighed by the resulting increased attraction, retention, motivation and performance of its employees.

Because it is such an influential tool to the organisation, understanding employees' perceptions and attitudes toward the rewards system is crucial to ensuring systems are designed to generate as much employee motivation as possible. Lawton and Chernyshenko (2008) discuss the lack of research within the New Zealand context relating to individual differences in reward preference. Given the increasing diversity of the workforce, the need for such research is important. For example, according to Statistics New Zealand (2012) the number of people identifying with European culture in the New Zealand labour force has decreased, whilst the number of Māori, Asian and Pacific people has increased. Additionally,



while the presence of older people between 50 and 59 in the labour force increased from 2006 to 2011, there has been a decrease in the number of people in the labour force aged 30-44, as well as those aged 15-19. As the characteristics of the workforce become more diverse, it is likely that the demand for a more diverse range of benefits that satisfy the needs of employees has also increased.

### *Work Values*

Work values have been defined as general human values expressed in a work setting, and relate to relatively stable goals individuals try to achieve at work (De Vos, Buyens, & Schalk, 2005). Various frameworks and dimensions of work values have been suggested, yet there is general agreement that work values are closely related to individuals' work attitudes and behaviours (Gahan & Abeysekera, 2009). For example, research has shown that individuals are more likely to choose jobs where their own value orientations are similar to the values reflected in the job content (Judge & Bretz, 1992). Understanding employees' work values is important to organisations, especially considering the previously discussed diversity of today's workforce. If differences in individual characteristics lead to differences in work values (which are related to individual attitudes and behaviours), a greater understanding of this relationship could serve to inform the effective management of a diverse workforce.

Schwartz (1992) developed the Schwartz' Value Survey (SVS), a commonly used method in recent values research. At the centre of this theory are ten distinct values, represented by 57 items. The ten core values are: Achievement, Power, Hedonism, Stimulation, Self-Direction, Universalism, Benevolence, Tradition, Conformity and Security. These values have been characterised as being beliefs or concepts, relating to desirable behaviours or end-states, which guide the evaluation of events and behaviour selection. They are distinguished from attitudes on the basis of their generality and transcendence of specific

situations (Schwartz, 1992). For example, the value of *Achievement* centres on goals of reaching personal success and exhibiting competency in comparison to some social standard. The value of *Tradition* encompasses goals that relate to the acceptance of the customs and beliefs of an individual's religion or culture that are imposed on him or her, as well as commitment and respect (Schwartz, 1992). Lindeman and Verkasalo (2005) further advanced this measure by condensing it down to form the Short Schwartz's Value Survey (SSVS), consisting of just 10 items, rather than Schwartz's original 57. Each of the 10 items represented the original 10 core values, and provided a measure that proved more efficient and brief than the original. The SVSS was found to display both good reliability and validity, and high similarity in structure to the original SVS (for further detail on validity and reliability studies, see Lindeman and Verkasalo, 2005). Moreover, participants were found to take an average of two minutes to complete the SVSS, compared with an average of 12 minutes to complete the original SVS, making it far more time efficient and practical.

Work values have also been investigated, albeit minimally, in relation to workplace rewards and the types of rewards or benefits individuals are likely to prefer given their work value orientations (e.g., Lawton & Chernyshenko, 2008). Matic (2008) highlights the important implications work values have for organisations, including aiding in the development of effective reward systems. Because the work values of an individual influence the preferences and needs they have for particular organisation attributes, it is plausible that there is a relationship between an individual's work values and their preference for particular types of workplace rewards. Preference for workplace rewards in relation to work values stands as an understudied area, and as such more research is needed in this area to develop a greater understanding of a workforce increasing in diversity and inform its effective management. Expanding our knowledge into the preferences and values of employees, and

how they differ based on key individual characteristics is significantly important, and is the central aim of the current study. Individuals' work values, and as such their behaviours and attitudes towards work, are suggested to be determined in part by individual difference characteristics (Kraimer, 1997). The current study seeks to confirm and extend research by examining several individual variables of interest, namely culture, demographic variables (i.e., age, marital status, number of dependents), and occupational variables (i.e., managerial status, and employment status), and the influence they have on both work values and preference for workplace rewards and reward allocation.

### *Culture*

The relationship between cultural background and various human resource management practices has merited growing research interest in the past decade. For example, cultural differences have been found in employee communication styles (Pekerti & Thomas, 2003), perceptions of the psychological contract (King & Bu, 2005), recruitment and selection activities, and acceptance and effectiveness of human resource practices (Stone, Stone-Romero, & Lukaszewski, 2007; Fey et al., 2009). The importance of understanding and facilitating the expression of cultural differences within human resource systems has been reported in the literature (Schuler & Rogovsky, 1998), particularly in an increasingly diverse workforce.

The study of cultural differences to date, however, has relied upon a broad definition of culture that is limited to geographic boundaries. Culture has been considered to be homogenous across countries, and cultural differences have been signified as important predominantly to those organisations engaging in business in foreign countries. This view of culture has recently come under criticism for neglecting to acknowledge those differences that exist within countries (Lenartowicz & Roth, 1999; Lenartowicz, Johnson, & White,

2003). Erroneous, non-significant findings of cross-cultural differences are said to be a potential result of researchers assuming that country and culture are one in the same. For example, Lenartowicz et al. (2003) confirmed the presence of distinct subcultural groups within two Latin American countries, and found cultural similarity of subcultures to be greater across national borders than within, illustrating that the pooling of national data could be misleading. Lenartowicz and Roth (1999) define subculture as 'a secondary group within a societal group that exhibit a shared pattern in the relative importance placed on the motivational domains,' (pg. 308). Definitions of subculture have also been established on the basis of language, politics, religion and ethnicity (Lenartowicz et al., 2003).

Lenartowicz and Roth (1999) state that the values of individuals vary across subcultures, as expressed through motivational domains, and affect business outcomes. Schwartz (1999) also focuses on cultural values largely at the national level, claiming that within a country's systems (educational, language, political, etc.) there is usually one that reigns dominant. Despite this, Schwartz does acknowledge that within some countries there are distinct cultural groups, formed on the basis of ethnicity or other criteria, which lead substantially independent lives. To some extent, this is the case in New Zealand society, a country that has only been colonised within the last 200 years. New Zealand's population is culturally diverse in terms of ethnicity as a result of settlers and migrants moving to New Zealand from various parts of the world (Stenson, 2004).

Cultural differences have been found to play a role in influencing a person's work values. Jaw, Ling, Wang, and Chang (2007) for example, report that the cultural values of Chinese employees had significant influence over their work values. Several other studies have reported the influence of culture on work values (e.g., Elizur, Borg, Hunt, & Beck, 1991; Matic, 2008; Kashefi, 2011). However, much of this research has also predominantly

dealt with a definition of culture rooted on nation state. Some research has criticised the lack of applicability of national culture value frameworks in understanding work values, and suggest the need for models to acknowledge multifaceted cultures as well (Latifi, 2006). Despite this, scarce research has attended to within-country cultural differences in work values.

Additionally, the impact of culture on reward preferences has been documented in several studies (e.g. Chiang & Birtch, 2006; Chiang & Birtch, 2007; Kalleberg & Stark, 1993) indicating that an individual's cultural background may play a part in determining the specific preferences they have for certain workplace rewards. Much of this research, however, has again defined culture in terms of country, and there is a need to investigate differences at a within-country level.

#### *The New Zealand Context*

As previously mentioned, the multicultural nature of New Zealand largely occurs as the result of migration of individuals from various cultures and countries within the last 200 years (Stenson, 2004). The current population encompasses four predominant cultures: European, Māori, Asian, and Pacific Peoples (Statistics NZ, 2006). Evidence supports the presence of multiple distinct cultures in New Zealand society, underscoring the need for investigation of differences at a subcultural level. Statistics confirm the cultural diversity in the New Zealand labour force composition has been increasing, particularly in the younger aged working group (15-39 years) (Statistics New Zealand and Ministry of Pacific Island Affairs, 2010), with estimated projections predicting a further increase in diversity. More specifically, the proportion of people in the European and Other groups are shown to be gradually decreasing, while the proportion of people in the Māori, Asian and Pacific groups within the labour force are shown to be gradually increasing. Based on 2006 Census data

(Statistics NZ, 2006) it is evident that from 2001 to 2006, New Zealand's Māori ethnic group increased by 7.4%. Furthermore, those in the Asian ethnic group grew by nearly 50%, and those in the Pacific ethnic group increased by nearly 15%. This further justifies the need for an increased understanding of a labour force that is continuously changing in its composition.

The nature of the New Zealand workforce also reflects this multicultural society (Jones, Pringle, & Shepherd, 2000), and there is evidence that indicates that the presence of subcultures is acknowledged within HRM practices in New Zealand. Chong and Thomas (1997) propose cultural effects on the perception of leadership in a New Zealand workplace context. In particular, it has been shown that Pacific Island peoples' traditional cultural norms influence their perceptions of leadership, which differ from the perceptions of Pakeha individuals (Chong & Thomas, 1997). Despite the acknowledged effects of socialisation into a country – and even to a workplace –, the authors suggest that these effects are slow-occurring and that traditional culture still plays a role in influencing individuals' values in Pacific Islanders that are born in New Zealand (Chong & Thomas, 1997). Other human resource management activities have been shown to acknowledge the varying cultural values of individuals in New Zealand. The Whānau interview, for example, is a selection and recruitment practice that explicitly acknowledges the presence of Māori cultural values within the job interviewing process (Jones, 1997). The Whānau interview allows an employee to be treated as a member of a Whānau group. Although there is no standard format, the process commonly involves the job applicant being accompanied by several people (who could be friends, family, colleagues, or others) to the individual's job interview. This Whānau support group are invited to share comments with the interviewing panel that support the applicant in question, perhaps relating to issues that have been raised, or providing further information about the applicant. This process is an illustration of managing diversity in New

Zealand HRM practices, and actively acknowledging and respecting the values of another culture. Jones (1997) also suggests that such a process may enhance commitment to the organisation, and as such is beneficial to both employee and employer

Early research has highlighted the need for organisations and managers to acknowledge and respond to the increasing diversity in the New Zealand labour force, making the necessary changes in structures, systems and management to accommodate employees' ability to reach their full potential (Sauers, 1994). Until the nature of the diversity in the workforce is explored, and its relationship to individuals' attitudes and their behaviours in the workplace understood, organisations will not be able to make the appropriately informed and effective changes that are necessary. As such, this study seeks to expand knowledge of individual characteristics of the New Zealand workforce, and how these relate to differences in values and preferences, which may transcend into behaviours in the workplace.

### *Demographic Variables*

*Age.* Particularly with the retirement of older workers and the entrance of a new generation into the labour market, it is important for organisations to understand how age may play a role in predicting an individual's work values (Twenge, Campbell, Hoffman & Lance, 2010) and indeed research has confirmed that different generations may differ in the importance they place on work values. Twenge et al. (2010) provide longitudinal research with findings that examine work values in relation to four different generational cohorts. Results suggested that younger generation workers had, on average, different work values from younger workers in the workforce 15 and 30 years prior. In this study, younger generation individuals were found to have stronger preference for leisure values and work that provided extrinsic rewards. The authors suggest such findings may have practical

implications for organisations, such as the provision of increased leisure time into reward systems. Leiter, Jackson, and Shaughnessy (2009) also detected a clear difference in the perceptions of work life of nurses from the Baby Boomer generation compared with those in the younger Generation X. Generation X nurses were found to perceive less congruence between their personal values and those of their organisations than did Baby Boomer nurses. This lends support for the notion that individuals from different generations possess different values toward work, and also that in order to retain staff, the differing values of younger generations entering the workforce need to be catered for by organisations within their HRM practices. Cennamo and Gardner's (2008) New Zealand-based research also reported findings of generational differences in work values. In this study, younger groups were found to place more importance on status and freedom work values in comparison to older groups of individuals. In addition to generational differences, work values have also been found to be influenced by age in general. Rowe and Snizek (1995) detected age differences in certain job preferences of individuals. Age was found to be a significant predictor in preference for opportunity for advancement, in that older workers tended to place less importance on opportunity for advancement than did younger workers. The authors suggest that this is possibly due to such advancement already being achieved or due to the adjustment to the realisation that less promotional opportunities are available with increasing age.

*Family Roles - Marital Status and Work Values.* Work values have also been investigated in relation to family roles, by way of marital status and number of dependents. More specifically, married individuals have been suggested to place more importance on pay and financial rewards than do their single counterparts (Johnson, 2005). Gorman (2000) attributes such emphasis on pay to stem from factors including the lifestyle changes that can be associated with marriage such as an increase in financial pressure (e.g., the purchase of a



first home). Rowe and Snizek (1995), for example, found those who were married more likely to express preference for a higher income than those who were not married.

Johnson (2005) also suggests that having children may influence an individual's work values, such as increasing the importance placed on extrinsic rewards, given the increased financial pressure that accompanies raising children. Results supported this notion, with parenthood having a positive effect on individuals' extrinsic work values. Walker, Tausky and Oliver (1982) also hypothesised a relationship between the presence of children and the work values of working women. More specifically, it was postulated that the presence of children would be associated with an increase in the importance women placed on job aspects relating to extrinsic and resource adequacy factors. Findings supported this hypothesis, with results showing that working women with preschool children in the home were more concerned with extrinsic factors, such as matters of pay, than working women who did not have children present in the home. This further supports not only the idea that various demographics can influence work values, but that work values may be subject to change as individuals go through different stages of life and experiences, such as marriage and parenthood.

### *Occupational Variables*

There is also evidence that indicates certain work preferences may be related to occupational variables. Lacy, Bokemeir and Shepard's (1983) study revealed that participants' preferences for job attributes differed between individuals of higher status and individuals of lower status, where status was deemed a combination of education level, occupational prestige (measured by an instrument that gave a two-digit 'prestige' score), and income. More specifically, participants of lower status were found to select income, promotion and security as first preferences for job attributes, whereas higher status participants were found to be

more likely to select meaningfulness of work as a first preference. As the authors discuss, such findings are unsurprising, as lower status workers are less likely to be working in jobs that are considered to be intrinsically rewarding. These findings suggest that workers in lower status positions may value workplace rewards that are more extrinsically rewarding, such as those that are financially based. Higher status workers may be more likely to find their work more intrinsically rewarding, meaning that the act of the work itself is found to be satisfying. As such, these workers may be less concerned with financial rewards, which tend to be a guarantee in higher job levels, and more concerned with training and development rewards that focus on furthering their current positions. Lower status workers may place higher value on financial rewards, because their work is less intrinsically motivating to them and as such they require extrinsic rewards to motivate them. In a similar vein, Harpaz (1990) investigated the importance of work goals on the basis of several variables, including whether individuals were managers, supervisors or employees. Results found managers to rank the goal of 'good pay' lower than did employees and supervisors in jobs of lower, non-managerial status. Harpaz attributes this in part to the higher paying jobs typically experienced by managers, resulting in their placement of less importance on it, presumably being less perceived as a goal because it has already been acquired. Kuchinke and Ardichvile's (2001) study also presented findings in support of the differing values of managers and non-managers. For example, managers were found to have significantly higher levels of the value 'Masculinity' - defined as the degree to which values associated with masculinity, such as assertiveness, competition and success are emphasised - than non-managers in data collected within manufacturing organisations in both the USA and Germany.

Past research has somewhat equated managerial position with high-status position, and non-managerial position with low-status. It is noted, however, that non-managerial

positions are not necessarily always lower in status than managerial positions. A lawyer, for example, may not be in a managerial position but their job may still be considered of high status. The work values of managers versus non-managers may still differ, but regardless of job status and on the basis of the nature of a managerial position. Because a significant part of a manager's job centres on interpersonal roles (Mintzberg, 1990), involving management and responsibility of others, as well as high levels of interaction and guidance toward co-workers and subordinates, those in managerial positions may be more likely to possess work values that are more focused on the collective rather than the individual. Similarly, managers may place stronger importance on aspects of the job or rewards related to training and development or career mentoring. The current study seeks to investigate such differences and compare work values and preference for reward type and reward allocation of managers with those of non-managers, regardless of job status.

### *The Current Study*

There is currently little research regarding individual differences in preference for workplace rewards in an Asia Pacific context. Lawton and Chernyshenko (2008) begun to fill this gap with a study within a large retail organisation within New Zealand, examining the determinants of reward preferences based on demographic variables, work values and the Five Factor Model of personality. The current study seeks to build on previous research by examining cultural, demographic and occupational variables, and their relationship to individuals' work values and preference for workplace reward type and allocation in a New Zealand context. Moreover, cultural differences will be examined at a within-country level, an area in which there is currently minimal research. The current study seeks to make a step forward in conducting research useful to understanding and facilitating the increasing diversity of today's workforce in human resource management practices. A greater

understanding of the variables that influence work values and preferences for workplace rewards and allocations will help inform the development of effective human resource systems, particularly compensation systems, which acknowledge and accommodate the varying values and preferences of employees. Given the lack of previous research conducted in New Zealand, particularly in relation to cultural differences at a within-country level, hypotheses for this research are relatively exploratory in nature. The proposed hypotheses for the current study are as follows:

H1: There will be significant differences in work values across four cultural groups in New Zealand (European, Māori, Asian, and Pacific).

H2a) Work values will vary significantly across marital status categories (single, married, in relationship not living with partner, in relationship living with partner).

H2b) Work values will vary significantly between workers with and without dependents.

H3a): There will be significant differences in preference for reward types (financial, career, and developmental) across four cultural groups in New Zealand (European, Māori, Asian, and Pacific).

H3b): There will be significant differences in preference for reward allocation types (individual and collective) across four cultural groups in New Zealand (European, Māori, Asian, and Pacific).

H4a): There will be significant differences in preference for reward types (financial, career, and developmental) across marital status categories (single, married, in relationship not living with partner, in relationship living with partner).

H4b) There will be significant differences in preference for reward types (financial, career, and developmental) between individuals with and without dependents.

H5a): There will be significant differences in preference for reward allocation types (individual and collective) across marital status categories (single, married, in relationship not living with partner, in relationship living with partner).

H5b) There will be significant differences in preference for reward allocation types (individual and collective) between individuals with and without dependents.

H6a) Work values will vary significantly across age groups.

H6b) There will be significant differences in preference for reward types (financial, career, and developmental) across age groups.

H6c) There will be significant differences in preference for reward allocation types (individual and collective) across age groups.

H7a): There will be significant differences in preference for reward types (financial, career, and developmental) between managers and non-managers.

H7b): There will be significant differences in preference for reward types (financial, career, and developmental) between workers and non-workers.

H7c): There will be significant differences in preference for reward allocation types (individual and collective) between managers and non-managers.

H7d): There will be significant differences in preference for reward allocation types (individual and collective) between workers and non-workers.

H8a): Work values will be significantly related to preference for reward types (financial, career, and developmental).

H8b) Work values will be significantly related to preference for reward allocation types (individual and collective).

## **Methodology**

### *Participants*

Data was collected from 521 New Zealand individuals from a range of various industries, via online surveys and hard-copy surveys. Ages of the sample ranged from 18 to 70, with a mean age of 25 years. The age of participants largely reflected the strong response rate of university students, with approximately 83% of respondents falling within the 18 to 26 age bracket. Participants identifying with European culture formed a disproportionately large group, of 75.8%, whilst the other cultural groups of interest were somewhat underrepresented (Māori: 6.7%, Asian: 3.8%, and Pacific: 2.3%). Within this sample, 43% of respondents were students employed part-time, whilst 18% of respondents were full-time workers. 3.2% of this sample was unemployed, and 28.6% were unemployed students. Females represented 64.3% of the sample, whereas males represented 33.2% (see Table 1, Appendix A for complete frequency table of demographic and occupational variables).

### *Instruments*

The survey used to gather data from participants included questions relating to demographic and occupational variables, as well as a measure of work values, a measure of preference for workplace reward type, and a measure of preference for reward allocation. The

survey contained an information page describing the nature of the study, conditions of participation and withdrawal, and assurance of confidentiality of the responses provided. At the end of the page, participants were asked to click or tick a consent check-box if they agreed to participate in the study, and understood its terms.

*Demographics.* Information relating to demographic variables was collected to investigate their relationship to work values and preference for workplace rewards and reward allocations. Demographic data collected by the survey included age, sex, marital status, and whether the individual was responsible for any dependents.

Participants were also asked to indicate the culture they most identified with and were given the option of the four most predominant cultures in New Zealand: European, Māori, Asian, and Pacific. The option 'Other' was also included, followed by a space for participants to write or type the culture they identified with. The term 'subculture' is used as a means of specifying the level of analysis as being at a within-country level, as opposed to a national, between-country level. Māori consultation was obtained prior to the current study being conducted, and this research was approved as remaining culturally sensitive in its proposed methods and approaches to appropriately handling data from Māori participants. Cultural groups were defined in terms of the four predominant ethnic groups in New Zealand, as stated by Population and Sustainable Development (2009), hosted and maintained by the governmental department Statistics New Zealand. Participants were free to choose more than one of the options available, and the 'Other' option included a text box where participants could state the culture they identified with had it not been on the list offered. Definitions, all from Population and Sustainable Development (2009) are as follows:

*"In New Zealand, ethnicity is self-defined and people can and do belong to more than one ethnic group. The five top level categories currently used in New Zealand to*

*identify ethnicity are: European, Māori, Pacific peoples, Asian and Other."*

*European : "A European is a New Zealander who identifies with or feels they belong to one or more European ethnicities. The largest ethnicity among European people is New Zealand European, followed by English, Dutch, Australian, South African, Scottish and Irish."*

*Asian: "Asian people are the New Zealanders who identify with or feel they belong to one or more Asian ethnicities. The largest ethnicity among Asian people is Chinese, followed by Indian, Korean, Filipino, Japanese, Sri Lankan, Cambodian and Thai. "*

*Pacific: "Pacific peoples are the New Zealanders who identify with or feel they belong to one or more Pacific ethnicities. The seven largest ethnicities among Pacific peoples are Cook Island Māori, Fijian, Niuean, Samoan, Tokelauan, Tongan and Tuvaluan peoples. "*

*Māori : "Māori people are the tangata whenua (indigenous people) of New Zealand. A Māori is a person who identifies with or feels they belong to the Māori ethnic group."*

*Other: "Other Ethnicities contains New Zealander and other groups that do not fit into the four other groupings."*

*Occupational Variables.* Managerial status (manager or non-manager) and employment status were assessed as occupational variables to investigate their relationship with work values and preference for workplace rewards and reward allocations.

*Work Values.* Work Values were measured using Lindeman and Verkasalo's (2005) Short Schwartz's Value Survey, a more compact adaption of the original Schwartz's Value Survey (1992). The measure consisted of 10 items, each pertaining to one of the 10 core life values of Power, Achievement, Benevolence, Hedonism, Stimulation, Self-Direction,



Universalism, Tradition, Conformity and Security. Because this abbreviated version had been found to measure the ten values effectively, displaying good reliability and validity, yet taking a much shorter time to complete than the original 57-item survey, it was deemed more efficient and practical. Given the voluntary nature of the participation in the current study and the fact that many approached participants would be employees working in organisations, it was anticipated that participants would be more likely to respond to the scale if it was kept to a minimal length, particularly given the fact that it was to be administered alongside several other measures within the survey. Each item was presented with the name of each value, and corresponding value descriptors used in the original measure. For example, participants were asked to rate the following value as a life-guiding principle: '*Power (Social power, authority, wealth).*' Responses were given on a 7-point Likert scale, where 1 = 'Not at all important,' and 7 = 'Extremely important.' Lindeman and Verkasalo's (2005) study found the ten values to load onto two bi-polar dimensions, termed Openness to Change versus Conservation and Self-Enhancement versus Self-Transcendence. Tradition, Conformity, Security, Self-Direction, Stimulation and Hedonism were found to load onto Openness to Change versus Conservation, whilst Universalism, Benevolence, Achievement, Power, and Hedonism (Hedonism was found to relate to both dimensions) were found to load onto Self-Enhancement versus Self-Transcendence. The general reliability coefficient (GRC) for the Openness to Change versus Conservation dimension was found to be .78, and for Self-Enhancement versus Self-Transcendence, .72.

*Preference for Workplace Rewards.* The instrument used to measure preference for workplace rewards contained a total of 21 items, and was generated for the purpose of this study. The Preference for Workplace Rewards measure contained three subscales, containing items relating to financial rewards, career-mentoring rewards, and developmental rewards.

The Preference for Reward Allocation Types measure contained two subscales, containing items related to individual rewards and collective rewards. Items in both reward type and allocation measures asked participants to indicate on a 7-point Likert scale the degree of importance they associated with each type of reward, from 1 (not at all) to 7 (extremely important). For example, an item in the financial rewards subscale was '*Receiving a monetary bonus for project completion*' (see Appendix B for complete list of items).

### *Procedure*

Responses from participants New Zealand-wide were gathered predominantly through the online version of the survey. Individuals were able to click on a link which directed them to the survey. Email requests were sent to various organisations and working professionals throughout New Zealand, inviting them to participate in the study and forward/circulate the survey link to fellow work colleagues and associates. Social networking sites were also used as a means of recruiting participants. A small amount of responses were also collected via a paper hard-copy version of the survey, the data from which was then coded and merged with the data from the online responses. The survey took approximately 10-15 minutes to complete, and participants were invited to enter the draw to win one of three \$200 fuel and grocery vouchers in exchange for their time. This study was reviewed and approved by the University of Canterbury Human Ethics Committee.

## Results

### *EFA*

Exploratory factor analyses were run for Work Values (Stability, Status, and Openness) Reward Type (Financial, Career Mentoring, and Developmental) and Reward Allocation (Individual and Collective) scales to assess dimension structure.

*Work Values.* Running a factor analysis (Principal components, Varimax rotation) of the Work Values scale found items to load onto three separate factors (see Table 2, Appendix C). This was different to the study conducted by Lindeman and Verkasalo (2005) who found the ten items to load onto two different factors. The items within the three dimensions were related with clear themes, and as such were grouped into the three dimensions for subsequent analyses. The items ‘Conformity,’ ‘Tradition,’ and ‘Security,’ loaded on the same factor and were labelled *Stability Work Values*. The items ‘Power,’ ‘Achievement’ and ‘Hedonism’ were labelled *Status Work Values*. Finally, the items ‘Self-Direction,’ ‘Universalism,’ and ‘Stimulation’ formed the dimension *Openness Work Values*. The item ‘Benevolence’ was removed from further analyses due to cross-loadings. A content evaluation of the item Benevolence, which is defined as “*helpfulness, honesty, forgiveness, loyalty, and responsibility*” confirmed some ambiguity and potential for cross-loading.

*Reward Preference.* Performing a factor analysis (Principal components, Varimax rotation) on the items generated for the reward preference scale and the reward allocation scale confirmed the initial proposed structure, with the reward preference items forming three dimensions: financial rewards, career mentoring rewards, and developmental rewards. The structure of the reward allocation preference measure was also confirmed by the factor analysis, with items clearly forming two separate dimensions: items relating to individual

rewards, and items relating to collective rewards. Table 3 (see Appendix D) presents the factor loadings of the items, with each item loading cleanly onto one of the dimensions. There were no cross-loading items identified.

With regards to the internal consistencies obtained for the measures, it should be noted that the Status work value subscale coefficient alpha of .52, and the Openness work values subscale coefficient alpha of .66 were lower than the common acceptability level of .70 (Nunnally, 1978). Internal consistencies for the remaining scales were deemed above an acceptable level, ranging from .77-.96.

### *Hypotheses Testing*

One-way between subjects ANOVAs as well as t-tests for independent means, where necessary, were used to test the hypothesised relationships. Findings pertaining to the relationships between work values and culture groups (hypothesis 1) and work values and marital status (hypothesis 2a) are depicted in Table 4.

With respect to differences in work values across culture groups, while no significant differences were identified for Status and Openness Work Values, there were statistically significant differences among cultural groups in Stability Work Values ( $F(3, 193)=4.11$ ,  $p<.01$ ). Post hoc LSD test comparisons indicated that the mean Stability score for participants in the European group was significantly lower ( $M=5.12$ ,  $SD=1.05$ ) than the score for the Pacific group ( $M=6.10$ ,  $SD=1.05$ ) and the Māori group ( $M=5.59$ ,  $SD=1.24$ ), ( $F=4.11$ ,  $p<.05$ ). The post hoc tests also indicated that the mean for participants in the Pacific group was significantly higher ( $M=6.10$ ,  $SD= 1.05$ ) than the mean for participants in the Asian group ( $M=4.91$ ,  $SD=1.33$ ). Finally, the Maori group showed a significantly higher mean in Stability Work Values ( $M=5.59$ ,  $SD=1.24$ ) than the Asian group ( $M=4.91$ ,  $SD=1.33$ ).

Overall, hypothesis 1, proposing significant differences in work values among cultural groups, was supported for Stability Work Values.

Table 4: *Culture and Marital Status for Work Values: One-Way ANOVA Results*

Variables	Stability Work Values			Status Work Values			Openness Work Values		
	M	SD	F	M	SD	F	M	SD	F
<b>Culture</b>			4.11**			1.48			1.24
European	5.12	1.05		5.21	.92		5.70	.95	
Māori	5.59	1.24		5.52	.82		6.03	.89	
Asian	4.91	1.33		5.56	1.04		6.00	.94	
Pacific	6.10	1.05		5.39	1.13		5.81	1.20	
<b>Marital Status</b>			1.47			6.28**			2.18
Married	5.23	1.30		4.58	1.20		5.54	1.13	
Single	5.16	1.16		5.29	.93		5.91	.91	
Living with partner	4.86	1.15		5.33	.90		5.69	.89	
Not living with partner	5.09	1.15		5.24	.86		5.67	1.00	

Note: \* =  $p < .05$ , \*\* =  $p < .01$

Hypothesis 2a) suggested that work values would vary significantly across marital status categories. The results illustrated in Table 4 indicated that there was a significant difference in Status Work Values between different marital status groups ( $F(4, 455) = 6.28$ ,  $p < .01$ ). Post hoc LSD comparisons indicated that participants who were married had significantly lower Status work values ( $M = 4.58$ ,  $SD = 1.20$ ) than those who were single ( $M = 5.29$ ,  $SD = .93$ ), those who were in a relationship and living with their partner ( $M = 5.33$ ,  $SD = .90$ ), and those who were living in a relationship but not living with their partner ( $M = 5.24$ ,  $SD = .86$ ). Although not detected in the initial analysis, LSD post hoc tests found that single participants had significantly higher mean Openness work value scores ( $M = 5.91$ ,  $SD = .91$ ) than those who were married ( $M = 5.54$ ,  $SD = 1.13$ ), ( $F = 2.18$ ,  $p < .05$ ). Hence, hypothesis 2a) is supported for Status Work Values. No significant differences were detected in Stability work values for marital status.

Hypothesis 2b), proposing that work values would vary significantly between workers with and without dependents, was tested with independent t-tests. The findings obtained suggest significant differences for both Stability and Status work values, but not for Openness work values. Specifically, those with dependents were found to have significantly higher Stability work values ( $M=5.53$ ,  $SD=1.20$ ) than those without ( $M=5.05$ ,  $SD=1.16$ ), ( $t(441) = -2.26$ ,  $p < .05$ ). However, those without dependents were found to have significantly higher Status work values ( $M=5.27$ ,  $SD=.92$ ) than those with dependents ( $M=4.48$ ,  $SD=1.06$ ) ( $t(454)=4.68$ ,  $p < .01$ ). Therefore, hypothesis 2b was supported for Stability and Status Work Values.

Findings for sets of hypotheses 3-7, proposing significant differences in preference for workplace rewards and preference for reward allocation across culture, marital status, dependents, occupational groups and age, are depicted in tables 5 and 6. Regarding hypotheses 3a, suggesting that reward type preferences would significantly vary across culture groups, the results in Table 5 indicate significant differences between cultural groups in their preference for Financial rewards ( $F(3, 214)=2.97$ ,  $p < .05$ ), but not for Developmental rewards or Career Mentoring rewards. Post hoc LSD tests suggest that participants in the Asian group had significantly higher preference for Financial rewards ( $M=5.17$ ,  $SD=1.30$ ) than those in the European group ( $M=4.51$ ,  $SD=1.23$ ) and those in the Pacific group ( $M=4.19$ ,  $SD=1.25$ ). Moreover, although not identified in the initial ANOVA, post hoc LSD comparisons also detected participants in the Pacific group to have a significantly greater preference for Career Mentoring rewards ( $M=5.36$ ,  $SD=1.55$ ) than those in the European group ( $M=4.58$ ,  $SD=1.20$ ) ( $F=1.72$ ,  $p < .05$ ). These findings provide support for hypothesis 3a. Conversely, no significant differences were found between the cultural groups and their

preference for reward allocation type – individual or collective (Table 5) –, failing to support hypothesis 3b.

Table 5.

*Culture and Marital Status Values for Reward Type and Allocation Preference: One-Way ANOVA Results*

Variables	Financial Rewards			Developmental Rewards			Career Mentoring Rewards			Individual Rewards			Collective Rewards		
	M	SD	F	M	SD	F	M	SD	F	M	SD	F	M	SD	F
<b>Culture</b>			2.97*			0.50			1.72			0.73			0.61
European	4.51	1.23		5.47	1.12		4.58	1.20		5.50	1.22		5.37	1.32	
Māori	4.93	1.14		5.58	1.08		4.80	1.23		5.74	1.15		5.68	1.07	
Asian	5.17	1.30		5.58	.82		4.63	1.05		5.82	1.19		5.39	1.42	
Pacific	4.19	1.25		5.83	1.10		5.36	1.55		5.49	1.08		5.65	1.12	
<b>Marital Status</b>			1.03			2.01			0.45			0.76			0.19
Married	4.19	1.29		5.43	1.17		4.76	1.10		5.67	1.17		5.44	1.20	
Single	4.58	1.23		5.55	1.09		4.63	1.19		5.45	1.29		5.40	1.26	
Living with partner	4.57	1.14		5.78	1.01		4.80	1.16		5.66	1.12		5.45	1.30	
Not living with partner	4.59	1.27		5.39	1.12		4.66	1.32		5.54	1.22		5.39	1.24	

Note: \* = p<.05, \*\* = p<.01



The study also advanced that there would be significant differences in preference for reward types and reward allocations among marital status categories (hypotheses 4a and 5a), and between participants with and without dependents (hypotheses 4b and 5b). As shown in Tables 5 and 6, no significant differences were identified for these demographic variables, failing to support the hypotheses.

Table 6.

*Dependents, Managerial and Employment Variables for Reward Type and Reward Allocation Preference: t Test Results*

Variables	Financial Rewards		Developmental Rewards			Career Mentoring Rewards			Individual Rewards			Collective Rewards			
	M	SD	T	M	SD	t	M	SD	T	M	SD	t	M	SD	t
<b>Dependents</b>			1.17			0.98			-1.51			-1.40			0.22
Yes	4.32	1.26		5.37	1.18		4.99	1.37		5.83	1.15		5.38	1.30	
No	4.58	1.22		5.56	1.08		4.66	1.20		5.52	1.23		5.43	1.26	
<b>Managerial Status</b>			0.55			0.17			2.88**			-0.56			0.59
Manger	4.56	1.12		5.51	1.07		5.19	1.09		5.45	1.27		5.50	1.13	
Non-Manager	4.45	1.26		5.48	1.16		4.60	1.26		5.57	1.22		5.37	1.33	
<b>Employment</b>			-1.95*			-1.73			-0.08			0.44			-0.66
Worker	4.48	1.24		5.49	1.14		4.68	1.25		5.55	1.22		5.39	1.30	
Non-Worker	4.71	1.23		5.67	.95		4.69	1.13		5.50	1.24		5.47	1.18	

Note: \* = p<.05, \*\* = p<.01

This study also proposed age differences in work values, preference for reward type and reward allocation (Hypothesis 6a, 6b and 6c). Hypothesis 6a, proposing a significant relationship between work values and age, was tested with Pearson correlations. As shown in Table 7, there are no significant correlations between age and Stability work values or Openness work values. However, age and Status work values were significantly and negatively related, ( $r = -.30, p < .01$ ), indicating that older individuals place less importance on values relating to Status. Table 7 also shows that age was found to correlate negatively and significantly with preference for financial rewards ( $r = -.16, p < .01$ ), indicating that older individuals were less likely to prefer Financial rewards. No significant correlations were found between age and preference for developmental, career mentoring, individual, or collective reward preferences. Thus, Hypothesis 6b was partially supported, but no support was found for Hypothesis 6c.

Set of hypotheses 7 suggested significant differences in reward type and allocation preferences between managers and non-managers, and between workers and non-workers. The results depicted in Table 6 show that individuals in managerial positions had a significantly higher preference for Career Mentoring rewards ( $M = 5.19, SD = 1.09$ ) than those not in managerial positions ( $M = 4.60, SD = 1.26$ ) ( $t(335) = 2.88, p < .01$ ), supporting hypothesis 7a. However, contrary to hypothesis 7c, no significant differences were found between managers and non-managers in terms of their preference for individual or collective rewards. As illustrated in Table 6, a significant difference between workers and non-workers was found for Financial rewards, with non-workers showing greater preference for Financial rewards ( $M = 4.71, SD = 1.23$ ) than workers ( $M = 4.48, SD = 1.24$ ), ( $t(489) = -1.95, p < .05$ ). On the other hand, no significant differences were identified between workers and non-workers with

respect to their preference for individual or collective reward. Overall, these findings lend support to hypothesis 7b), and fail to support hypothesis 7d).

### *Correlations*

Correlations, means, standard deviations, and Coefficient Alphas of the reward preference, reward allocations and work values dimensions, as well as age and tenure are displayed in Table 7. As can be seen from the table, the Individual Rewards subscale and the Collective Rewards subscale had a significantly high correlation of .66, indicating some potential conceptual overlap. However, the separate factor structure identified in the factor analysis suggests that the two dimensions should be assessed separately.

Correlation coefficients were also examined to assess the relationships between the three categories of work values and preferences for reward type, and reward allocation (Hypotheses 8a and 8b). As can be seen in Table 7, Stability work values were found to correlate positively and significantly with each of the reward types (financial, developmental and career mentoring) and reward allocation preferences (individual and collective) subscales. More specifically, Stability work values were positively and significantly related to Financial ( $r=.18, p<.01$ ), Career ( $r=.26, p<.01$ ) and Developmental ( $r=.10, p<.05$ ) reward types, as well as Individual ( $r=.15, p<.01$ ) and Collective ( $r=.21, p<.01$ ) reward allocations. Status work values were also found to correlate significantly and positively with each of the reward types and allocation types. That is, Status work values were found to correlate with Financial ( $r=.27, p<.01$ ), Career ( $r=.11, p<.05$ ), and Developmental ( $r=.10, p<.05$ ) reward types, as well as Individual ( $r=.20, p<.01$ ) and Collective ( $r=.16, p<.01$ ) reward allocations. Openness work values correlated significantly and positively with Career mentoring rewards ( $r=.17, p<.01$ ), Developmental rewards ( $r=.14, p<.01$ ), and Collective rewards ( $r=.13, p<.01$ ),

but did not correlate significantly with financial rewards or individual rewards. Thus, results provide partial support for Hypothesis 8a and partial support for Hypothesis 8b.

Table 7.

*Means, standard deviations, coefficient alphas, and correlations among variables*

Variable	Mean	SD	1	2	3	4	5	6	7	8	9
1.Financial Rewards	4.54	1.24	(.81)								
2.Career Rewards	4.68	1.22	.35**	(.80)							
3.Developmental Rewards	5.54	1.09	.35**	.51**	(.78)						
4.Individual Rewards	5.54	1.23	.57**	.25**	.36**	(.95)					
5.Collective Rewards	5.41	1.27	.52**	.33**	.37**	.66**	(.96)				
6. Stability Work Values	5.08	1.17	.18**	.26**	.10*	.15**	.21**	(.77)			
7.Openness Work Values	5.77	.96	.08	.17**	.14**	.08	.13**	.17**	(.66)		
8.Status Work Values	5.21	.95	.27**	.11*	.10*	.20**	.16**	.15**	.19**	(.52)	
9. Age	25.17	7.59	-.16**	.01	.00	-.01	-.05	.02	-.02	-.30**	
10. Tenure	2.73	3.88	-.04	.03	-.02	.04	.04	.16*	-.06	-.09	.60**

*Note:* \* p<.05, \*\* p<.01.

## Discussion

### *Summary of Main Findings*

The current study produced findings that provide some support for the suggestion that certain cultural, demographic and occupational variables may influence individuals' values towards work, as well as their preference for workplace rewards.

Cultural differences were found for Stability work values, but not for Status or Openness work values. Those in the European group were found to place significantly less importance on Stability work values than both the Pacific and Māori groups. The Pacific and Māori groups also both showed significantly higher levels of Stability than those in the Asian cultural group, thus suggesting that different cultures may differ in the level of importance they place on the values surrounding Stability work values, such as conformity, tradition and security. In terms of reward type and allocation, significant cultural differences were found for financial rewards, in that those in the Asian group had significantly higher preference for financial rewards than those in the European and Pacific groups. Post hoc analysis also suggested that those in the Pacific group may prefer Career rewards more than those in the European group. Consistent with the suggestions and findings of previous authors (e.g. Lenartowicz et al., 2003) these findings provide support for the notion that cultural differences may exist at a within-country level. This indicates that, as Lenartowicz et al. (2003) discuss, the pooling of data in relation to culture may be detrimental to results and their interpretation. Therefore, results further provide support for the suggestion that the definition of culture should not be restricted to national boundaries, nor should the definition of culture be considered one and the same with country.

Married participants were found to place less importance on values related to Status work values, such as power, achievement and hedonism, than those who were single, as well as those who were in relationships (including those living and not-living with their partners). Findings did not support the previously discussed research that found married individuals to place higher importance on pay and financial rewards (e.g. Johnson, 2005). However, it is possible that those who were married tended to be further along in their career development, and had perhaps already acquired jobs of higher status or power, and as such deemed these values as less important, because they had already been attained. Post hoc analysis suggested that those who were single placed greater emphasis on Openness work values, which relate to self-direction, universalism and stimulation, than those who are married. This reflects stage of life, in that single people who are not dependent or reliant on another may be more likely to deem individualistic and self-gratifying values as more important than those who are married. Conversely, marital status was not shown to influence individuals' preference for reward types or reward allocations.

Whether or not individuals had dependents was shown to influence both their Stability and Status work values. Those with dependents were found to have significantly higher Stability work values than those who did not. Given that having dependents would presumably entail a high level of commitment, responsibility and maturity, it seems logical that Stability values such as conformity, tradition and security would be important to those that are responsible for another person. Those who did not have dependents were found to place higher importance on Status work values than those with dependents. Not having responsibility over another person may mean individuals have a greater likelihood to be more career-focused, and as such place a greater emphasis on Status values, encompassing achievement and power. The presence of dependents was not shown to influence preference



for reward type or allocation. Despite not being directly related to reward preference or allocation, these findings are still somewhat in support of previous research in which the presence of dependents was shown to increase the importance individuals placed on values relating to extrinsic and resource adequacy factors of a job (Johnson, 2005; Walker et al., 1982). The importance placed on Stability work values may reflect the importance an individual places on the need for stable and secure work that provides adequate extrinsic resources (such as pay) to provide for dependents.

Older individuals were found to place less importance on Status work values. As suggested by Rowe and Snizek (1995), this may be because older individuals may be further through the development of their career, and have already attained achievement and power relating to Status values. Alternatively, it may be due to the realisation that the availability of promotional opportunities decrease with age. Therefore, they may deem it as less important because they have already attained it. In terms of reward and allocation preference, older individuals were also found to place less importance on financial rewards. Again, this may be due to the fact that older individuals may have progressed further through their careers, receiving higher financial rewards, and thus deem them as less important because they are already attained. These results are consistent with findings of previous research in which younger individuals have been found to have a stronger preference for work that provides extrinsic rewards (Twenge et al., 2010). Moreover, the finding that younger individuals placed a greater emphasis on Status work values is consistent with other previous research that has also been conducted in the New Zealand context (Cennamo & Gardner, 2008).

Results showed that managers were more likely to prefer Career rewards than non-managers. Given that the nature of a manager's job often requires the management and development of other people, individuals in managerial positions may subsequently prefer

those rewards that entail involvement in career mentoring or talent management programmes. Additionally, in order to acquire managerial positions, individuals may have had to participate in career mentoring or talent management programs which aided their career progression, and thus, they recognise the value of such systems. A large proportion of the current sample were students working part-time, less likely to be in managerial positions, and probably with less exposure and experience with a diverse range of workplace rewards. These individuals may not have fully understood what rewards relating to career mentoring and talent management entail, and therefore deemed it less important.

Non-workers were also found to prefer financial rewards more than workers. Given that financial rewards often serve to meet the basic living needs of individuals (ie. food, clothing and general living expenses), it makes sense that non-workers would value this type of reward most, particularly if they are not receiving the financial resources they need to satisfy such basic needs. Although those not working may do so because they already possess the financial resources they need to live, given that the majority of non-workers in this study were unemployed students (presumably studying to lay the foundations of a future career) this does not seem to be likely.

Stability and Status work values were both found to relate positively and significantly to all reward types and both reward allocations. Openness work values correlated with Developmental, Career, and Collective rewards, but were not significantly related to Individual or Financial rewards. Although causation cannot be inferred, these results provide encouraging support that work values and preference for reward type and allocation are related. These findings lend support to the research of Lawton and Chernyshenko (2008), who found certain work values of individuals to relate to their particular benefit preferences. This may indicate that placing importance on certain work values increases an individual's

likelihood of preferring particular workplace reward types or allocations. Alternatively, it may mean that an individual who has preference for certain workplace rewards is more likely to adopt certain work values that reflect these preferences. The relationship between work values and preference for reward type and allocation could also be reciprocal, in that work values may influence reward preference to some extent, and reward preference may also affect an individual's work values.

### *Practical Implications*

This research provides support for the notion that work values and preference for workplace reward type allocation may be influenced by cultural, demographic, and occupational variables. Given the increasing diversity in the New Zealand workforce it is important that organisations realise the subsequent impact this diversity may have on individuals' work values and preferences for workplace rewards. Organisations could benefit from taking such findings into account within the design and development of compensation systems. By understanding the characteristics of their employees and how these may influence values and preferences, organisations can design compensation systems in such a way that employees are offered rewards which they highly value. For example, based on the findings in this study, managers were found to prefer Career rewards more so than non-managers. This indicates that organisations may benefit from offering their management additional rewards that relate to career mentoring and talent management programme involvement.

Past research has shown that supervisors do not properly understand the types of incentives their staff would prefer, often wrongfully assuming that financial rewards would act as the major motivator of employees (Kovach, 1995). It would be useful for organisations

to examine the specific characteristics of their employees and understand that a diverse workforce may be reflected in similarly diverse values and preferences. A measure, such as the one used in this study, could be administered to employees to better understand the rewards they would prefer to receive. This could help ensure that organisational resources are being used efficiently and effectively by offering employees the rewards they most value, and not wasting financial resources by offering rewards that are not.

It is also important for organisations to realise that designing an effective rewards system that highly motivates employees should be an ongoing process. The current study shows that individuals may have different values toward work, and prefer different types of rewards as they go through different life experiences, such as getting married, having children, or getting older in general. Therefore, employee values and reward preferences should be assessed over time, to ensure organisational rewards systems remain congruent with the preferences of employees, particularly with the entrance of new employees into the organisation who may possess different values and preferences.

Offering rewards that are highly valued to employees could also improve attraction and retention of employees. Individuals may be more attracted to a job, and more likely to apply for a position that offers incentives that match their preferences. The organisation's reputation may be positively affected if they are known to have an effectively designed compensation system offering highly valued rewards. Moreover, once in the job, the employee may be more likely to stay in an organisation that offers highly valued rewards, by increasing motivation and job satisfaction. In turn, rewards that highly motivate individuals may have a positive effect on job performance. Therefore, an effectively designed compensation system may serve as an effective competitive advantage for an organisation by enhancing attraction, retention, motivation, and performance of employees.

This study has extended previous research by examining cultural differences in reward preference at a within-country level, an area that is minimal at present. Results provide some support to suggest that within a New Zealand context, different cultures may exhibit different values toward work, as well as different preferences for workplace rewards. This study also builds upon other research, for example the work of Lawton and Chernyshenko (2008), by examining work values and preference for reward in a New Zealand context. As suggested by Sauers (1994), workforce diversity needs to be considered and accommodated in human resource systems. Given the previously discussed increasing diversity of the New Zealand workforce, it is clear that this type of research is necessary to gain a greater understanding of the nature in which such diversity affects individuals work values and reward preferences, so as to inform the design and development of effective organisational systems.

### *Limitations*

A significant limitation of the current study was the characteristics of the sample population. Although the total number of participants was satisfactory, the number of participants in each of the cultural groups (with the exception of European) was considerably small. Therefore, findings related to cultural differences may not be representative. Additionally, the age of participants was heavily biased towards participants who were 18-25 years old and as such the value and preference relationships found in this study may not accurately reflect those of participants outside of this age bracket. The sample was also largely student-based, which may have had a significant effect on item interpretation. Students and younger individuals may have not had large amounts of exposure to a wide variety of rewards, and thus may not have fully understood what the types of rewards described in the scales items entailed.

It is also important to note that the relationships found between cultural, demographic and occupational variables and work values and preferences for rewards may to some extent be interdependent. For example, it is unclear to what extent the relationship between marital status and Status work values is influenced by age, and vice versa. It may be that those who are married are older, and as such prefer Status work values less. The analyses examining the relationships between specific variables and work values and preference for rewards did not control for individual variables, and as such the exact nature of the explanatory power of each variable independently was not determined.

#### *Directions for future Research*

It is suggested that future research conduct similar research investigating determinants of work values and preference for workplace rewards using a broader and more diverse sample, particularly in terms of culture and age, as well as recruiting a larger number of non-students, to investigate whether similar results are obtained. Future research could also focus on improving the preference for reward type and reward allocation instruments that were designed for the purpose of this study. Reward types not currently incorporated could potentially be added to increase the scope of rewards covered in the measure.

Future studies could also benefit from investigating the influence of cultural, demographic and occupation variables on individuals' work values and reward preference using longitudinal research. This may give a greater understanding into the nature of how work values and preferences may be less or more influenced by particular variables over periods of time. For example, a younger married person may be more likely to value financial rewards as they are laying the foundations of a life with someone, and may be considering the possibility of having children. The same person, fifteen years later, may be less concerned

with financial rewards, possibly because they have attained satisfactory financial resources, or possibly because their work values have changed. Therefore the influence of marital status, for example, over particular work values or reward preference may increase or decrease over time.

Future research could also examine the extent to which the nature of the relationship between cultural, demographic, and occupational variables and work values and reward preference is mediational. For example, cultural, demographic and occupational variables may influence an individual's work values, which may then in turn lead an individual to prefer certain types of rewards and allocations. Moreover, it would be interesting to investigate whether this potential mediated relationship is moderated by socialisation into an organisation. Authors have used the term socialisation to refer to a process, in which individuals come to learn and become familiar with the behaviours, norms, values and expectations of an organisation and what it means to be a member of it (Kraimer, 1997; Van Maanen & Schein, 1979). As individuals become more aware of such norms and values, it is suggested that they adapt their own value frameworks to more closely reflect that of their employer. Therefore, future longitudinal research could investigate whether the relationship between cultural, demographic and occupational variables and work values decrease as an individual becomes socialised into an organisation, whereby work values may be more influenced by the organisation itself.

### *Conclusion*

In a workforce that is increasing in diversity, understanding how individual differences affect the values and preferences of individuals is crucial for organisations to be able to design and develop human resource systems that effectively attract and retain high

performers. The current study investigated the effects of cultural, demographic and occupational variables on individuals work values and preference for workplace rewards and allocation. Considerable support was found for hypotheses, with findings suggesting that various relationships between individual difference variables and individuals' work values and preference for workplace rewards do exist. This study has extended previous research by investigating such relationships in New Zealand, a country with little research in this area to date. Additionally, this research responds to the need for research to investigate cultural differences at a subcultural level by examining culture in terms of within-country differences. Future research is encouraged to extend the current research and to continue to explore the nature of how individuals' values and preferences are influenced. Organisations need to understand and acknowledge that the values and preferences of their employees may be diverse and subject to change, and ensure human resource management, structures and systems are appropriate for their given workforce.



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## Appendix A

*Table 1: Frequencies for Demographic, Occupational and Cultural Variables*

Variable	Group	N	Freq.	Valid Percent	Cumulative Percent
Gender		508			
	Male		173	34.1	34.1
	Female		335	65.9	100.0
Culture		509			
	European		395	77.6	77.6
	Māori		35	6.9	84.5
	Asian		20	3.9	88.4
	Pacific		12	2.4	90.8
	Other		47	9.2	100.0
Marital Status		509			
	Married		42	8.3	8.3
	Single		227	44.6	52.8
	In relationship, living with partner		100	19.6	72.5
	In relationship, not living with partner		137	26.9	99.4
	Other		3	.6	100.0
Dependents		504			
	No		469	93.1	93.1
	Yes		35	6.9	100.0
Managerial Status		347			
	Manager		45	13.0	13.0
	Non-Manager		302	87.0	100.0
Employment Status		507			
	Unemployed		16	3.2	3.2
	Employed part-time		21	4.1	7.3
	Employed Full-time		95	18.7	26.0
	Student, employed part-time		224	44.2	70.2
	Student, unemployed		145	28.6	98.8
	Self-employed		6	1.2	100.0

## **Appendix B – Preference for Reward Type and Allocation Type Scale Items**

### *Preference for Reward Type:*

#### Financial Rewards:

1. Receiving a monetary bonus for project completion
2. Receiving a monetary bonus for end-of-year performance of the organisation
3. Receiving commission-based pay
4. Receiving stock shares
5. Receiving premium pay (e.g., wage increase for overtime, work on holiday or weekend).

#### Developmental Rewards:

1. Having the opportunity to attend conferences/workshops in job-relevant areas (ie., time off work).
2. Receiving financial support from my employer to attend conferences/workshops for professional development.
3. Having the opportunity to complete education/certifications funded by my employer.

#### Career Mentoring Rewards:

1. Having the opportunity to be a part of a career mentoring program.
2. Having the opportunity to be a coach or mentor to others.
3. Having the opportunity to be part of a talent management program.

### *Preference for Reward Allocation:*

#### Individual Rewards:

1. Receiving rewards (monetary or non-monetary) for my individual contribution to the organisation.



2. Receiving rewards (monetary or non-monetary) for my individual contribution to the department/unit.
3. Receiving rewards (monetary or non-monetary) for my individual contribution to the team.
4. Receiving reward (monetary or non-monetary) that recognise the work and effort that I invest in the organisation.
5. Receiving rewards (monetary or non-monetary) independent of the performance of others in my unit.
6. Receiving rewards (monetary or non-monetary) independent of the performance of others in my team.

Collective Rewards:

1. Receiving rewards (monetary or non-monetary) that reflect the work and effort of my team.
2. Receiving rewards (monetary or non-monetary) that reflect the performance of my team.
3. Receiving rewards (monetary or non-monetary) that reflect the performance of my department/unit.
4. Receiving rewards (monetary or non-monetary) that reflect the performance of my organisation.

### Appendix C

Table 2: *Factor Loadings for Work Value Items*

Items	Stability	Status	Openness
Conformity (Obedience, honouring parents and elders, self discipline, politeness)	.855		
Tradition (Respect for tradition, humbleness, accepting one's portion in life)	.808		
Security (national security, family security, social order, cleanliness, reciprocation of favours)	.742		
Power (social power, authority, wealth)		.746	
Achievement (success, capability, ambition, influence on people and events)		.706	
Hedonism (gratification of desires, enjoyment in life, self-indulgence)		.579	
Self-Direction (Creativity, freedom, curiosity, independence, choosing one's own goals)			.793
Universalism (Broad-mindedness, beauty of nature and arts, social justice, a world at peace, equality, wisdom, unity with nature, environmental protection)			.784
Stimulation (daring, a varied and challenging life, an exciting life)			.633

## Appendix D

Table 3: *Factor loadings for Reward Type and Reward Preference Items*

Items	Financial	Developmental	Career Mentoring	Individual	Collective
Receiving stock shares	.727				
Receiving commission-based pay	.713				
Receiving a monetary bonus for project completion	.678				
Receiving a monetary bonus for end-of year performance of the organisation	.654				
Receiving premium pay (e.g., wage increase for overtime)	.485				
Receiving financial support from my employer to attend conferences/workshops for professional development		.816			
Having the opportunity to attend conferences/workshops in job-relevant areas (ie., time off work)		.744			
Having the opportunity to complete education/certifications funded by my employer		.714			
Having the opportunity to be a coach or mentor to others			.807		
Having the opportunity to be part of a talent management program			.800		
Having the opportunity to be a part of a career mentoring program			.708		
Receiving rewards (monetary/non-monetary) independent of the performance of others in my team				.861	
Receiving rewards (monetary/non-monetary) independent of the performance of others in my unit				.841	
Receiving rewards (monetary/non-monetary) for my individual contribution to the department/unit				.836	
Receiving rewards (monetary/non-monetary) for my individual contribution to the team				.810	
Receiving rewards (monetary/non-monetary) for my individual contribution to the organisation				.807	
Receiving rewards (monetary/non-monetary) that recognise the work and effort that I invest in the organisation				.774	
Receiving rewards (monetary/non-monetary) that reflect the performance of my team					.868
Receiving rewards (monetary/non-monetary) that reflect the performance of my department/unit					.849
Receiving rewards (monetary/non-monetary) that reflect the work and effort of my team					.834
Receiving rewards (monetary/non-monetary) that reflect the performance of my organisation					.824

