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Influence of Organizational Culture on Total Reward Preferences: A Study of IT Sector in India

Gagandeep Kaur*, R. R. K. Sharma**, M. K. Jha***

Abstract

This paper proposed and examined a model to provide linkages between organizational culture and total reward. It examined the effect of organizational culture on employee behavior in terms of reward preferences. For this, the study uses the typologies of the clan, adhocracy, market, and hierarchy culture from the Competing values framework proposed by Cameron and Quinn and establishes its relationship with various transactional and relational elements of total reward. Survey method was used for data collection while the hypotheses are tested on a sample population of 309 using Structural Equation Modelling (SEM). The findings from this study will guide the total reward professionals in formulating reward programs that meet the needs of employees and provide practical solutions to problems in that process.

Keywords: *Total Reward, Competing Values Framework, IT Sector, India*

INTRODUCTION

Attrition and employee turnover in organizations continue to be major issues of concern for employers in Indian IT Sector (Gaan, 2011). According to India's annual compensation trends survey for the year 2017,

* Research Scholar, Dr. A.P.J. Abdul Kalam Technical University, Lucknow, Uttar Pradesh, India. Email: gagan1509@gmail.com
** Professor, Department of Industrial and Management Engineering, IIT, Kanpur, Uttar Pradesh, India. Email: rrk@iitk.ac.in
*** Indira Gandhi Institute of Cooperative Management, Lucknow, Uttar Pradesh, India. Email: mk_173@yahoo.com

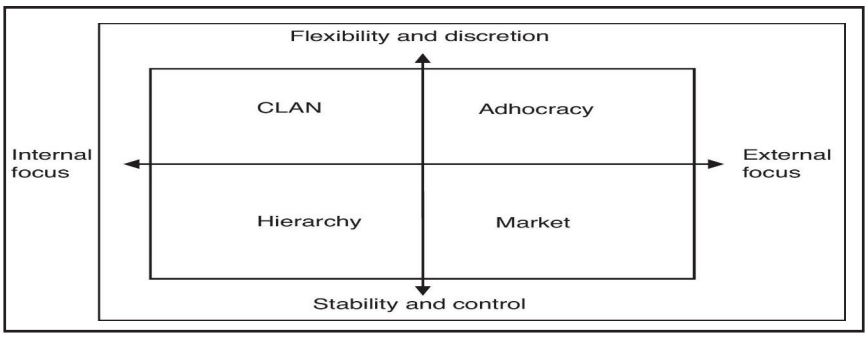
the annual attrition rate is double-digit (14.6%) in IT Sector (KPMG, 2018). When we look at the factors that influence employee retention, it appears that employee reward and compensation is one of the most important ones (Davies et al., 2001). In recent years, the concept of "compensation and benefits" has shifted and paved the way for the concept of "Total Reward". This concept enables employers to design their reward program to match the employees' needs and helps identify the right kind of reward combination that suits its distinct workforce (Snelgar et al., 2013). It is believed that rewards that are designed according to the individual needs, values, expectation and, preferences helps in attracting, motivating and retaining employees in the organization (Chiang & Birtch, 2007). As such, we realize that reward preferences are present and are dependent on a number of factors that need to be considered while designing the total reward program for employees (Bussin & Toerien, 2015).

Another important factor that shapes and influences employee perception, values, and behavior in the organization is organizational culture (Madhani, 2014). Russo et al. (2013) in his study correlates organizational culture to compensation strategies and believes that this correlation between the two variables would influence employee behavior in the context of employee retention. Impact of national culture on reward preferences is a much-researched subject (Herkenhoff, 2002; Chiang & Birtch, 2005). Like the national culture, organizational culture also influences the behavior of the employees through reward preferences. However, all such studies that show the linkages between organizational culture and reward are conceptual (e.g., Janićijević, 2013; Madhani, 2014). Therefore, this study makes two contributions. Firstly, by a detailed analysis of literature, this study demonstrates that organizational culture influences reward preferences of the employees in the organization. Secondly, it proposes a model that establishes the conceptual linkages between the typologies of organizational culture using the Competing Values framework and total reward elements that employees might prefer in a particular organization.

LITERATURE REVIEW

Organizational culture is defined as *"the deep structure of organizations, which is rooted in the values, beliefs, and assumptions held by organizational members"* (Denison, 1996, p. 654). There are several frameworks of organizational culture (e.g. Deal & Kennedy, 1982; Peters

& Waterman, 1982) and researchers cannot pinpoint a single framework that is all-inclusive or may be preferred over others (Cameron & Quinn, 2011). The researcher should, therefore, use the framework that suits the purpose of the study. Therefore, the Competing Values Framework has been selected for use in this study because of its methodological ease for assessing the culture of an organization. The Competing Values Framework is based on two major dimensions resulting in four main cultural types: Clan Culture, Hierarchy Culture, Adhocracy Culture, and Market Culture as shown in Fig. 1.



Source: Cameron, K. S., & Quinn, R. E. (2011). Diagnosing and changing the organizational culture: Based on the competing values framework. John Wiley & Sons

Fig. 1: Competing Values Framework

The total reward framework identified and used in our study is signified in Fig. 2. The total reward is split into two categories of rewards: *Transactional rewards (financial) and Relational rewards (non-financial)* (Armstrong, 2010).

Family-Welfare Benefits: These represent the opportunity for employees of the organization to acquire welfare benefits for the family at a discounted rate (Herkenhoff, 2002).

Skill-Based Pay: Skill-based pay "is a payment system in which pay progression depends on the acquisition of skills by the employee" (Thompson, 1995).

Performance-Related Pay: This reward element is a part of contingent pay scheme where pay increase or bonus is linked to an employee's accomplishment and achievement of specified goals (Longo, 2014).

Workplace Flexibility: According to Jeffrey Hill et al. (2008), workplace flexibility is the extent to which an employee is allowed to make a decision regarding the main facet of their professional life including the decision of where, when, and for how long.

Job Security: According to Herkenhoff (2002), job security is the assurance given to employees that they will remain parts of the organization

Career & Development Opportunities: According to Bussin and Toerien (2015), career and development opportunities are defined as all the initiatives and learning opportunities provided by an employer so that employees can be equipped with clear goals and career paths.

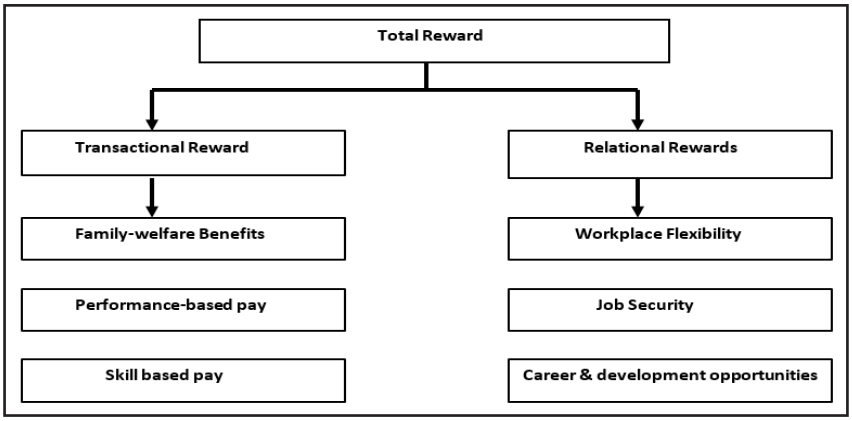


Fig. 2: Total Reward Framework Constructed for Our Study

Clan Culture and Reward Preferences: Cameron & Quinn (2011) define clan culture organization as a friendly place to work where employees share a lot of themselves, and work as an extended family. Janićijević (2013) explained that the main aim of the compensation system in clan culture is to help in unification and integration of organization members. From a national culture perspective, the values of feminine cultures-focus on people and relationships (Bussin et al., 2016) can be associated with values of clan which is an employee-focused culture that emphasizes on values like concern for people and customers (Dastmalchian et al., 2000). Reward preference for feminist culture includes social benefit programs, work-life balance activities, and welfare considerations that cater to employee's needs outside of their work-life (Schuler & Rogovsky, 1998; Bussin et al., 2016). Harris (2010) researched and found that employees who have people-orientation values will prefer reward practices that would emphasize the benefits package and work-life balance. Also, flexible working practices are believed to be a family-friendly policy that promotes work-life balance and improves the morale of employees by helping employees manage and balance their work and personal life (Shagvaliyeva & Yazdanifard, 2014). Employees expect that as the reward for their long-term commitment and loyalty to

the organization, the organization will provide long-term employment and security (Kerr & Slocum, 1987; Janićijević, 2013; Madhani, 2014). Therefore, we hypothesize that:

Hypothesis 1 (H1): Employees in the clan culture would show a preference for family-welfare benefit in the context of the IT sector in India.

Hypothesis 2 (H2): Employees in the clan culture would show a preference for job security in the context of the IT sector in India.

Hypothesis 3 (H3): Employees in the clan culture would show a preference for workplace flexibility in the context of the IT sector in India.

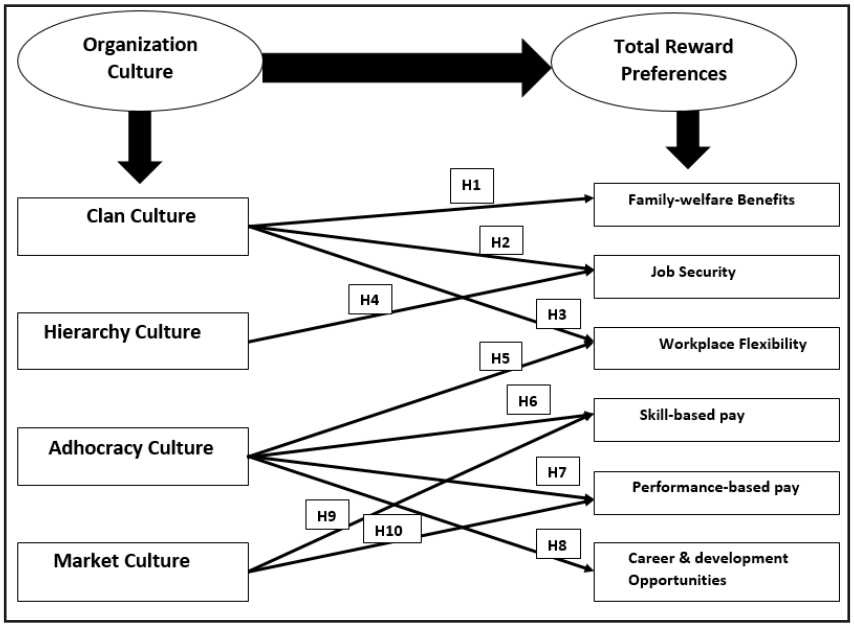


Fig. 3: Research Model of the Study

Hierarchy Culture and Reward Preferences: Hierarchical organizations are process-oriented; formalized, and bureaucratic (Cameron & Quinn, 2011). Also, it is observed that hierarchy-based organizations lean towards the mechanistic end of the mechanistic-organic continuum. Such organizations are highly bureaucratic and follow risk-averse compensation strategy (Muczyk, 1988; Gomez-Mejia & Welbourne, 1988). Risk-aversion is associated with national culture dimension of high uncertainty avoidance, which is evident in need of the employees for clear goals and responsibilities and preference for rewards like retirement plans, job security, and pension (Hempel,1988; Herkenhoff, 2002; Bussin

et al., 2016). According to Schuler & Rogovsky (1998), high uncertainty avoidance will lead to rewarding practices that are likely to accentuate and focus on predictability and certainty. Therefore, we hypothesize.

Hypothesis 4 (H4): Employees in hierarchy culture would show a preference for job security in the context of the IT sector in India.

Adhocracy Culture and Reward Preferences: Organizations having adhocracy culture are dynamic, future-oriented, and innovative. According to Janićijević (2013), purpose and aim of compensation system in adhocracy culture is to bring change and innovation generation while criteria for rewards is innovativeness, initiative and learning and development. Rewarding behavior like risk-taking and experimentation is pivotal for the emergence of innovative processes. There are some elements of rewards that enhance the independence and autonomy of employees and provide growth and development opportunities that can aid in the innovation process (Arad et al., 1997). Studies have provided linkages between innovation and learning in the organization and have emphasized on the fact that innovation is only possible if organizations build up an effective and efficient learning system for their resources and develop their skills and abilities (Alegre & Chiva, 2008; Škerlavaj et al., 2010). Research studies highlight that compensation systems based on competence and skills of an employee induce creativity (Zhou & Shalley, 2003; Hon & Rensvold, 2006). Moreover, skill-based pay encourages employees to gain knowledge outside of their job and provides career and development opportunity to develop themselves and increase their knowledge base. This compensation strategy promotes creativity and innovation (Shipton et al., 2005; Yang, 2012).

Innovation and creativity in the organization are dependent on an employee's talent, and the organization would reward talent on the basis of the employee's contribution (Barros & Lazzarini, 2012). It is believed that rewarding an employee for their contribution encourages innovation (Cano & Cano, 2006; Barros & Lazzarini, 2012). Workplace flexibility provides autonomy and independence on employees thus induces creativity and innovation in the organization. Several studies have reported the fact that providing flexible schedules and work practices in the organization enhances innovation and creative behavior in the organization (e.g., Mumford, 2000; Martínez-Sánchez et al., 2008; Beugelsdijk, 2008). Therefore, we hypothesize:

Hypothesis 5 (H5): Employees in adhocracy culture would show a preference for workplace flexibility in the context of the IT sector in India.

Hypothesis 6 (H6): Employees in adhocracy culture would show a preference for skill-based in the context of the IT sector in India.

Hypothesis 7 (H7): Employees in adhocracy culture would show a preference for performance-based pay in the context of the IT sector in India.

Hypothesis 8 (H8): Employees in adhocracy culture would show a preference for career and development opportunities in the context of the IT sector in India.

Market Culture and Reward Preferences: Organizations having market culture are goal or result-oriented and the main task of the employees is to get the job done (Cameron & Quinn, 2011). In such organizations, skills and abilities are considered to be an integral component for the organization's capability to compete (Lawler III, 1994) and knowledge is important for realization of competitive advantage (Rodriguez Pere et al., 2003). Furthermore, a skill-based pay system is believed to have a significant impact on employee's performance. It encourages productivity in the organization (Murray & Gehart, 1998). Chang & Lin (2015) established the relationship between result-oriented culture and employees' preference for attaining new knowledge. Madhani (2014) believed that organizations that have market culture, because of their focus on remaining competitive, would have a skill-based pay system rather than a job-based pay system. Kerr & Slocum (1987) studied the reward system of 14 companies in the United States and established clear linkage between performance-based reward system and market culture. This linkage was further confirmed by Janićijević (2013) and Madhani (2014) who elaborated that, as the main aim of this culture is to survive in the market and prosper, its compensation system will reflect that culture in its competitiveness and outcome-based control. Therefore, we hypothesize:

Hypothesis 9 (H9): Employees in market culture would show a preference for performance-based pay in the context of the IT sector in India.

Hypothesis 10 (H10): Employees in market culture would show a preference for skill-based pay in the context of the IT sector in India.

RESEARCH METHODOLOGY

Sample Characteristics

A representative sample of professionals working in the IT Sector in India was our target population. A Total of 561 questionnaires was distributed.

20 questionnaires were rejected due to largely missing values. We consider a total of 541 questionnaires out of which 309 were returned showing a response rate of 57%. From the sample respondents 65% are male and rest 35% are female. 61% respondents belong to younger than 30 years, 35% of respondents are the age group between 30-39 years while only 4% of respondents were between the age group 40-49 years. No respondent was of the age greater than 50 years. From the respondent group, 40%, 37.5%, and 7% of respondents belong to 0-3 year, 4-7 years, and 8-10 years of work experience respectively while only 15.5% of the respondents have more than 10 years' of work experience. In terms of educational level 59% of the respondents were graduates while 35% of the respondents were post graduates. 5% and 1% of the respondents were undergraduate and diploma holders respectively.

Measurement Scale

The description of the measures used in the present study is discussed in the following paragraphs:

Organization Culture Scale

The identification of organizational culture was based on the four typologies identified in the Competing Values Framework of Quinn and Rohrbaugh (1983) and Cameron and Quinn (2011). The items used to measure the four typologies (clan, adhocracy, market and hierarchy) were based on previous empirical studies and review of the literature (Deshpandé et al., 1993; Hartnell et al., 2011). A total of 28 items captured the four independent variables using the five-point Likert scale where "1" represents strongly disagree and "5" representing strongly agree.

Total Reward Preferences Scale

Measurement for reward preferences was based on past empirical studies (Herkenhoff, 2002; Bussin et al., 2016). Particularly, the items for constructs like job security, family welfare benefits, and career and development were adapted from the South African reward preference questionnaire developed by Bussin et al. (2016). On the other hand, items for constructs like skill-based pay, performance-based pay, and workplace flexibility were developed by the authors based on their review of the literature (Balkin & Gomez-Mejia, 1990; Boachie-Mensah & Dogbe, 2011; Jeffrey Hill et al., 2008) and 27 items captured the responses for the dependent variables under the head reward preferences using the

five-point Likert scale where "1" represents strongly disagree and "5" representing strongly agree.

Data Collection Procedure

For the pilot study, the questionnaire was sent to 50 IT professionals working in India. The pilot study helped in determining the set of items to be included in the study, which shortened the questionnaire. Method for data collection used in our study was survey based where responses for the same were collected both online as well as physically from the IT professionals. The survey was sent to the target population using, convenience sampling technique, which comes under non-probability sampling techniques.

DATA ANALYSIS

Structural equation modeling was used to analyze the developed research model. We follow a two-step approach to conduct SEM (Hair et al., 2006). Cronbach coefficient alpha was used to evaluate the reliability of the items, wherein minimum acceptable value (> 0.7) of constructs was considered reliable (Nunnally, 1978).

Table 1: Descriptive Statistics for Organizational Culture Typologies and Total Reward Preferences

Sr. No.	Constructs	Total Items	Mean	SD	Cronbach's (α)
1	CC	7	3.428	0.839	0.885
2	HC	7	3.198	0.709	0.786
3	AC	7	3.462	0.905	0.932
4	MC	7	3.749	0.677	0.839
5	SP	5	3.915	0.825	0.888
6	JS	4	3.304	0.985	0.875
7	PP	5	3.961	0.722	0.827
8	FB	4	3.589	0.889	0.861
9	CD	5	3.647	0.838	0.870
10	WF	4	3.392	1.004	0.889

In the next step, principal CFA was employed with varimax rotation and Kaiser Normalization. The KMO value was .904 and result of Bartlett's test was significant ($p = 0.000 < 0.005$) indicating the sample to be fit for

further analysis. Furthermore, in factor analysis results of eigenvalues and factor loadings are reported. According to Hair et al. (2006), eigenvalues (>1) and all factor loadings (>0.5) are significant and are retained. In our study, as Table 2 shows, all the items have factor loading above 0.5 while all the factors have eigenvalues > 1 and they put the total value of variance at 75.047 percent.

Table 2: Principal Component Analysis

	CC	HC	AC	MC	SP	JS	PP	FB	CD	WF
CC7	.841									
CC4	.824									
CC1	.781									
CC6	.781									
CC3	.777									
CC5	.775									
CC2	.600									
HC4		.861								
HC5		.861								
HC3		.771								
HC2		.750								
HC7		.661								
HC6		.585								
HC1		.565								
AC5			.871							
AC4			.852							
AC7			.846							
AC6			.845							
AC1			.841							
AC3			.834							
AC2			.814							
MC5				.775						
MC7				.762						
MC4				.739						
MC6				.736						
MC2				.726						
MC1				.685						
MC3				.557						
SP5					.858					
SP2					.838					
SP3					.836					

	CC	HC	AC	MC	SP	JS	PP	FB	CD	WF
SP4					.835					
SP1					.791					
JS2						.886				
JS3						.862				
JS4						.837				
JS1						.829				
PP1							.845			
PP3							.826			
PP2							.809			
PP4							.802			
PP5							.595			
FB3								.875		
FB1								.869		
FB2								.858		
FB4								.768		
CD3									.855	
CD5									.813	
CD4									.811	
CD1									.807	
CD2									.769	
WF3										.911
WF1										.877
WF2										.852
WF4										.823
Eigen-values	4.173	3.124	4.978	3.574	3.461	2.915	3.048	2.848	3.292	3.002
% vari-ance ex-plained	59.615	44.634	71.117	51.055	69.216	72.867	60.968	71.208	65.843	75.047
Cumu-lative %	59.615	44.634	71.117	51.055	69.216	72.867	60.968	71.208	65.843	75.047

To evaluate the fit of the measurement model, there are several fitness indices. The information regarding the level of acceptance and the results of CFA presented in Table 3 point out that the model fit is achieved. At this stage, CFA is conducted to determine the validity and reliability of

the latent constructs. Reliability of the measurement model is assessed using the measure of composite reliability (>0.7), and convergent validity can be substantiated by calculating the Average Variance Extracted (AVE) for every construct (>0.50). Discriminant validity will be accepted as established if the values of both Maximum Shared Variance (MSV) and Average Shared Variance (ASV) are less than AVE and the square root of AVE of each construct is higher than their inter-construct correlations (Hair et al., 2006). The output is presented in Table 4 and shows that Composite Reliability is established. AVE is greater than 0.5 for all the variables except two, but convergent reliability is acceptable because of the stipulation that if composite reliability is higher than 0.6, AVE less than 0.5 is still deemed adequate (Fornell & Larcker, 1981). Discriminant validity was also established.

Table 3: Confirmatory Factor Analysis

Name of Category	Fit Indicators	Recommended Value	Observed Value
Parsimonious fit	CMIN/df	<3.00	1.636
Absolute fit	Goodness of fit index (GFI)	>0.90	.780
	Standardized root mean square residual (SRMR)	<0.09	.071
	Root mean square error of approximation (RMSEA)	<0.08	.045
Incremental fit	Tucker lewis index (TLI)	>0.90	.901
	Incremental fit index (IFI)	>.0.90	.909
	Comparative fit index (CFI)	>0.90	.908

Note: Chi-square = 2260, Degrees of freedom = 1382, p = .000

According to Hair et al. (2006), to retain all the items in the study, standardized factor loadings (standardized regression weights) should be higher than 0.5. All the items in this study had factor loadings greater than 0.5 except three items 'HC3', 'MC3' and 'PP5' that had factor loading greater than 0.4. However, these items were included in this study because Ertz et al. (2016) included in their study items that had factor loadings of 0.4 or more.

Table 4: Reliability and Construct Validity

	CR	AVE	MSV	ASV	AC	SP	JS	PP	FB	CD	WF	CC	HC	MC
AC	0.932	0.663	0.403	0.183	0.814									
SP	0.889	0.615	0.336	0.185	0.406	0.784								
JS	0.877	0.641	0.213	0.202	0.179	0.136	0.800							
PP	0.841	0.521	0.321	0.217	0.251	0.567	0.012	0.722						
FB	0.869	0.625	0.393	0.228	0.342	0.365	0.299	0.220	0.790					
CD	0.871	0.575	0.320	0.218	0.566	0.523	0.141	0.363	0.333	0.758				
WF	0.891	0.673	0.147	0.228	0.347	0.111	0.334	0.052	0.269	0.383	0.820			
CC	0.887	0.533	0.403	0.209	0.635	0.220	0.292	0.134	0.627	0.336	0.376	0.730		
HC	0.783	0.347	0.213	0.225	0.261	0.172	0.461	0.277	0.272	0.308	0.185	0.263	0.589	
MC	0.838	0.431	0.352	0.210	0.593	0.580	0.199	0.526	0.494	0.460	0.135	0.579	0.359	0.656

RESULTS

The results of the model fit indicate that $\chi^2 = 2482.329$, df = 1400, p = .000; CMIN/df = 1.773; RMSEA = 0.050; CFI = 0.886; TLI = 0.880; IFI = 0.889; SRMR = 0.070 (Browne & Cudeck, 1993). In order to test the structural model, the simultaneous Maximum Likelihood Estimation was used to calculate the path estimates. We can find the results of our hypotheses testing in Table 5.

Table 5: Summary of SEM Results and Hypotheses Testing

Hypotheses	Path	Standardized Regression Weights (β)	p-value	Critical Ratio	Result
H_1	CC→FB	0.553	<0.001	6.801	Supported
H_2	CC→JS	0.323	<0.001	3.785	Supported
H_3	CC→WF	0.299	<0.001	3.513	Supported
H_4	HC→JS	0.469	<0.001	6.044	Supported
H_5	AC→WF	0.249	0.003	2.958	Supported
H_6	AC→SP	0.200	0.009	2.600	Supported
H_7	AC→CD	0.475	<0.001	5.800	Supported
H_8	AC→PP	0.018	0.824	0.223	Not Supported
H_9	MC→SP	0.739	<0.001	7.714	Supported
H_{10}	MC→PP	0.750	<.001	7.774	Supported

In our study, Hypotheses H1–H10 were constructed according to the proposed structural model. Standardized regression weights were used to facilitate the determination and analysis of the impact and effect of each independent variable on the dependent variables (Hair et al., 2006). While, $p < 0.05$ is the recommended value to test the existence of a relationship. The results showed that the 'MC' had the greatest influence on reward preference variable of 'SP' and 'PP' (dependent variable). The two had a β coefficient of 0.739 and 0.750 ($p < 0.001$ for both the variables), respectively. Therefore, H9 and H10 were supported. With a β coefficient of 0.553, 'CC' variable had the third-largest influence on the reward preference variable on the 'FB' variable ($p < 0.001$). Hence, H1 was supported while analysis showed that CC' (β coefficient = 0.323 and $p < 0.001$) also had a significant influence on the reward variable 'JS'.

Next, the results revealed that the independent variable 'AC' had a significant influence on the preference of reward variable 'CD' (β coefficient = 0.475 and $p < 0.001$), while variable 'HC' had a significant influence on preference of reward variable 'JS' (β coefficient = 0.469 and $p < 0.001$). H7 and H4 were supported. Meanwhile, 'CC' (β coefficient = 0.299 and $p < 0.001$), and 'AC' (β coefficient = 0.249 and $p = 0.009$) had a significant influence on 'WF'. Hence H3 and H5 also were supported. On the other hand, 'AC' (β coefficient = 0.200 and $p = 0.009$) was found to have only a moderate influence on the reward variable 'SP'. However, H6 was accepted, while 'AC' (β coefficient = 0.018 and $p = 0.824$) indicated the absence of significant impact on the reward variable.

DISCUSSION

The purpose of this paper was to explore the employee's preference for different total reward variables in the context of typologies of organizational culture prevailing in the IT industry in India. Unlike the earlier reward preference studies, this study considered the context of organizational culture with a particular focus on one of the most growth-oriented sectors in India. The analysis of the collected data indicated that employees in market culture prefer performance pay and skill-based pay. As such, the findings for market culture in our study also provided support to the finding from the previous research that theoretically supported and linked market culture with performance pay (Janićijević, 2013; Madhani, 2014). The results of hierarchy culture showed that employees working in such culture preferred job security, while the analysis of clan culture revealed that employees working in it would prefer rewards like family-welfare benefit, job security, and workplace flexibility. The results for clan culture provided affirmation to the fact that employees in clan culture would prefer rewards that create a supportive working environment. These findings have been substantiated in studies done in another context where the relationship between work-family culture or family-friendly culture and reward practices like workplace flexibility have been established (Thompson et al., 1999; Ngo et al., 2009).

Next, when we looked into the results of adhocracy culture, we concluded that employees working in this culture preferred rewards like workplace flexibility, skill-based pay and career, and development opportunities. The findings for adhocracy culture corroborate the fact that a culture in which innovation and risk-taking are promoted, employees would prefer rewards to validate these organizational expectations. The

findings of our study were congruent with findings from previous studies which supported the idea that flexibility in the organization and knowledge, skill, and expertise of employees facilitate innovation and creativity (Georgsdottir et al., 2003; Leonard-Barton, 1996). Meanwhile, no support to our claim about the employees' preference in adhocracy culture for performance-based pay was found. As in the current environment of Indian IT sector risk has increased due to increased competition, protectionist policies adopted by developed countries and the emergence of new technologies (Equitymaster, 2018), therefore employees do not prefer reward element wherein risk is attached.

CONCLUSION AND MANAGERIAL IMPLICATIONS

India is a developing economy and its IT sector has made a significant contribution to the economic development of the country as a major earner of foreign exchange and by creating employment (Arora & Athreye, 2002). Employers are always seeking new methods and schemes to help them in attracting and retaining employees and compensating the employees according to their reward preferences is an effective method. Therefore, this study is of particular relevance for IT organizations as its findings provide a comprehensive understanding of how organizational culture influences reward preferences of employees and the postulates structural equation model to provide a guideline for remuneration managers to follow while designing the total reward packages to fit the organizational culture and the needs and preferences of employees. Given that turnover levels tend to be higher for companies in IT sector and that attracting and retaining knowledge workers remains a challenge (Bussin & Toerien, 2015), the findings may be of particular relevance for organizations operating in the ICT space. Also, consideration of the influence of organizational culture may assist organizations in better understanding not only individual behaviour but also group and organization behaviour. From a human resource management perspective, an enhanced understanding of behaviour at these three levels may assist organizations in optimizing efforts, enhancing performer–manager relationships and creating a conducive and motivating work environment. With workforces becoming more diverse and globalized, the status quo of one-size-for-all cannot possibly last. Reward preferences exist, and much more research is required to better understand these preference.

LIMITATIONS AND FUTURE SCOPE OF RESEARCH

First, due to limited means and resources we have narrowed our research to a specific sector and conducted in one country to suppress the effects of national culture. As such, due to the nature of research prudence needs to be observed when generalizing the results from this study. The findings of this study cannot be generalized to other sectors and industries as it may be possible that some digression may be observed when we conduct the same survey in other organizations. Therefore, we recommend that future studies should inspect the suitability of our findings to other sectors and possibly include replication studies with larger sample size that can possibly generalize our findings further.

Second, the data has been collected using a questionnaire survey which is an extremely economical and reliable method in which scalability can be achieved. The problem with this method is that it suffers from response bias. Therefore, we recommend the use of qualitative technique like interviews of managers to be administered along with questionnaire survey to reduce the response biases in future studies.

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