

**THE RELATIONSHIP BETWEEN REWARD PREFERENCES,
PSYCHOLOGICAL EMPOWERMENT AND EMOTIONAL INTELLIGENCE
WITHIN THE INVESTMENT BANKING INDUSTRY IN SOUTH AFRICA**

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PSYCHOLOGICAL EMPOWERMENT AND EMOTIONAL INTELLIGENCE
WITHIN THE INVESTMENT BANKING INDUSTRY IN SOUTH AFRICA**

By

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Commerce in Industrial and Organisational Psychology to be awarded at the Nelson
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In accordance with Rule G5.6.3, I hereby declare that this dissertation for my degree is my own work and that it has not previously been submitted for assessment to another University or for another qualification.

SIGNATURE: 

DATE: 26 November 2018

ABSTRACT

The primary objective of this dissertation was to investigate the relationship between reward preferences, psychological empowerment and emotional intelligence (EQ) within the investment banking industry in South Africa. The researcher tested a theoretical model using regression analysis and made use of Pearson's Product Moment Correlations in order to reach this objective. The secondary aim was to determine whether any differences existed according to job level with regards to these three constructs. This was achieved through using analysis of variance and Tukey's HSD test.

A questionnaire comprised of the Reward Preferences Questionnaire, Psychological Empowerment Questionnaire and Schutte Self-report Emotional Intelligence test was completed by a total of 221 investment banking professionals and managers, working within South Africa from several different private banking firms, as well as from larger institutional banks across the country. Data analysis was conducted using descriptive statistics, including frequency tables and pie charts, as well as the inferential statistics mentioned above. The findings revealed a number of correlations between the three constructs, as well as significant differences between job levels. The proposed theoretical model could be partially accepted as it showed that emotional intelligence acts as a partial mediator only when predicting Contingency Pay as a reward preference via psychological empowerment. In addition, emotional intelligence acts as a predictor for psychological empowerment and its subfactors, as well as the subconstructs that comprise reward preferences.

These results provide topical insight into this line of research, as well as having contributed theoretically to these three constructs. Additionally, a gap in research was unveiled showing the various connections found between reward preferences, psychological empowerment and emotional intelligence. The findings of this study offer valuable implications concerning the effective management and performance of employees within the investment banking industry of South Africa.

KEY WORDS: Reward Preferences, Psychological Empowerment, Emotional Intelligence, investment banking professionals and managers

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

The primary aim of this study is to examine the existence of a relationship between Reward Preferences, Psychological Empowerment, as well as Emotional Intelligence and its relevance to the investment banking industry in South Africa. Furthermore, this study aims to ascertain as to whether any differences exist according to job level within investment banking, namely between specialists/professionals, general management, as well as lower and upper level management, with regards to the three aforementioned constructs.

Reward Preferences are broken down into both Financial and Non-financial Rewards, whereas Psychological Empowerment is comprised of four sub-factors namely, Meaning, Competence, Self-determination and Impact. Lastly, Emotional Intelligence branches into four areas, which are Perception of Emotion, Managing Own Emotions, Managing Others' Emotions and the Utilisation of Emotion.

The quintessential challenge of knowledge workers of the 21st century will set the scene for this study. As according to Hoole and Hotz (2016), in this day and age immense pressure is being placed on the workforce to perform. It is therefore necessary to continuously strive to build the emotional intelligence of investment banking professionals, as well as equip them with the skills needed to keep up with the fast-paced economy that largely influences the rise and fall of the investment banking industry that forms part of the broader financial sector.

This study will strive to conceptualise the complex behavioural patterns that are attributed to the employees found within the investment banking industry that may be influenced by certain workplace conditions, such as the rewards that are offered by employers and by the nature of work that is performed.

1.2 Background to the research

According to Lyons, Chatman and Joyce (2007) the very basis of investment banking lies in handling money, whether it be privately or institutionally. There are few private firms

and banks in the world today that offer isolated investment banking activities. These authors state that it is for this reason, that the definition of an investment bank's activities can be split into the buy-side and the sell-side. The buy-side includes investment management and advisory services offered to clients, in the form of mutual funds, hedge funds, unit trusts, life insurance and private equity funds, whereas the sell-side involves the trading of securities for cash or for other securities to bigger institutional clients (Lyons et al., 2007). Furthermore, these authors state that most of the largest investment banks in the world fall among what is considered as the bulge bracket banks, which are full-service banks, transacting and operating globally and have substantial effects on today's economy.

These effects can be seen by the Global Financial Crisis of 2008 that has created a business environment today which can be seen as more volatile and complex (Osisima, 2015). According to Morrison and Wilhelm (2015), the realm of finance often involves the exchange of price-sensitive information from various market participants. These authors further state that this suggests the reason why investment banks that wish to facilitate the exchange of such information are notorious for being influenced by the economic climate and its effect on corporate reputation and client returns. It is thus clear that corporate reputation acts as a crucial asset in the investment banking industry, as investment professionals are required to facilitate trade in the event of extreme unpredictability (Morrison & Wilhelm, 2015).

Therefore, the succession of business scandals and fluctuating economic crises have worked together to transform the environment for financial firms all over the world, giving rise to the need for employees to think critically, make well-informed decisions, assess the accuracy of information, act quickly and challenge the status-quo (Osisima, 2015). Consequently, the South African financial sector is still faced with many challenges in attracting and retaining talented employees and is burdened with a slow recovery to economic conditions, a scarcity of key employees both locally and globally and is in dire need of greater mobility of staff (Bussin & van Rooy, 2014). With this backdrop presented, it is vital to ensure that employees that operate within the financial sector are appropriately rewarded and are performing optimally in an environment that is attributed to various

challenges, by structuring their reward packages in such a way that will enhance feelings of empowerment for employees, as well as continuously providing seasonal EQ training.

The following section will provide greater insight into the constructs that are being investigated and the relevance thereof to this study.

1.2.1 Reward Preferences

According to research conducted by Seligman (2008), between fifty to seventy percent of employees around the world were found to be dissatisfied. Pike (2008) in a popular media publication, *Finweek*, relays that South African employees are not excluded from this result. Buitendach and Rothmann (2009) state that dissatisfaction refers to an employee's emotional response to their job and may be experienced irrespective of an organisation offering good compensation and rewards.

Therefore, these authors further state that it would be to a company's benefit to rather shift their focus to the personal needs of their employees upon designing their reward package. Inevitably, failure to do so, may influence an employee's behaviour, which may result in absenteeism, labour conflict and strain taken to physical and psychological health (Buitendach & Rothmann, 2009). However, employees who find their jobs to be meaningful, as well as conducive to a supportive environment that allows for continuous growth and learning, will find that their work fuels them with the necessary energy to thrive in the workplace (Hagger, Rentzelas & Chatzisarantis, 2013). Literature has thus suggested that employees are extremely valuable to organisational success and it is thereby crucial for managers to tend to their personal needs through the use of effective reward systems (Hagger et al., 2013). A reward system can be categorised as all of the essential features that encompass the different variables that are chosen for performance evaluation and for the placement of monetary and non-monetary rewards (Ehlers & Lazenby, 2010). According to Deci and Ryan (2008), reward systems are usually divided into two categories, namely intrinsic non-financial rewards and extrinsic financial rewards. These authors further state that human behaviour is motivated either by interest and enjoyment, which is intrinsic, or by results, which are extrinsic, both of which are based on the actualisation of meeting certain needs. Chiang and Birtch (2012) state that reward

preferences are derived from a number of motivations, preferences and values, which may be indicative of why reward preferences differ from each person respectively. According to Reilly and Brown (2008), reward preferences refer to the individual needs that are met by either financial or non-financial rewards, or by a combination of both. Furthermore, these authors state that reward preferences may also refer to the positive features attributed to the work itself, career prospects in an organisation, social events associated with the workplace as well as an array of services that are offered by the employer.

WorldatWork (2007), an organisation whose core focus is on researching reward systems, states that rewards can be defined as the rewards that are financially and non-financially based and that provide a return to employees in exchange for their time, skills, efforts and results. The Total Rewards Model that was developed by Nienaber et al. (2011) consists of six fundamental reward categories, namely Base Pay and Contingency Pay (collectively known as Compensation); Benefits; Performance and Career Management; Quality Work Environment and Work/home Integration (Hoole & Hotz, 2016). According to Hoole and Hotz (2016), base pay, which is a form of financial reward, refers to the remuneration system provided by an organisation that is viewed by the employee as both fair and equal relative to their skills, as well as being in line with their expectations. Furthermore, these authors state that base pay is the monetary value that is provided by an employer to an employee for services rendered in an organisation, whereas contingency pay refers to remuneration that is based on the individual's performance level. The second financial reward component of the model is benefits, which are the packages that are offered by an employer to supplement the cash component that an employee receives (Hoole & Hotz, 2016). The most conventional forms of benefits that an employee may receive include medical aid, pension or provident funds or car allowances (WorldatWork, 2006).

The Non-Financial Reward component of the model refers to Performance and Career Management, Quality Work Environment and Work/home Integration. According to Yousaf, Aslam and Saddiqui (2014), the performance management system of an organisation can motivate employees by rewarding and remunerating them for the work performed and by offering them opportunities for career development and training. The second non-financial reward component of the model refers to quality work environment

which may include having the necessary social support brought about from coworker relations, as well as being exposed to good working conditions, all of which may enhance employee commitment and productivity (Dainty, 2008). The last non-financial reward component of the model refers to work-home integration, which refers to the execution of certain company policies that are more inherently supportive of employees in terms of their achievement of organisational goals as well as the balance between their work and home lives (Hoole & Hotz, 2016).

According to Shelton and Renard (2015), these abovementioned rewards should be taken into careful consideration upon designing an employees' remuneration package, as they can directly impact an employee's overall level of well-being experienced at work. Reward preferences were thus found to relate positively to factors such as employee motivation, job satisfaction and the quality of work produced (Hafiza et al., 2011).

1.2.2 Psychological Empowerment

According to Spreitzer (1995), psychological empowerment refers to a set of psychological states that are important for individuals to derive a greater sense of control in relation to the work that is performed. Furthermore, this author states that this psychological perspective of control is solely based on how employees experience their work in relation to their personal beliefs about their work role in an organisation.

Ultimately, the key underlying presumption to psychological empowerment dictates that empowered people are more likely to become more inspired and productive in the work environment as opposed to the individuals who are not empowered (Thomas & Velthouse, 1990). There are numerous schools of thought to psychological empowerment that has developed over time. The concept of Psychological Empowerment originates from literature by Conger and Kanungo (1988), which was then extended by Thomas and Velthouse (1990) into a theoretical framework representing four cognitions of an individual's orientation to work, and then later modified by Spreitzer (1995) to ensure that it reflected the true essence of empowerment (Spreitzer, 2006).

Thus, the work of Spreitzer (1995) enhanced the interdisciplinary nature of the literature on empowerment, which touches on the broad areas of psychology, sociology, social work and education (Spreitzer, 2006). Psychological empowerment is a motivational construct that has four components, which pertain to meaning, competence, self-determination and impact (Spreitzer, 1995). The first component, meaning, relates to the importance of a work goal in relation to an individuals' ideals, which facilitates the fit between the work role and their beliefs, values and behaviours (Thomas & Velthouse, 1990; Brief & Nord, 1990). Secondly, competence reflects an individual's belief to perform certain work activities proficiently (Gist, 1987). Thirdly, self-determination, refers to the third component of psychological empowerment, and implies a sense of autonomy in choosing and structuring one's work tasks and behaviours (Deci, Connell & Ryan, 1989). Lastly, impact is the degree to which an individual can exert influence over certain strategic and administrative outcomes in a work environment (Ashforth, 1989).

1.2.3 Emotional Intelligence (EQ)

Bar-On (2006) who was first to introduce and develop a tool to measure emotional intelligence, defines EQ as a set of emotional, social and personal skills, competencies and behaviours that impact on intelligent behaviour (Uslu, 2016). According to Mayer and Salovey (1990), EQ can be defined as the ability to understand one's own emotions as well as the emotions of others, in order to guide one's thought processes and actions.

EQ branches into four areas, namely, the ability to perceive emotion; managing own emotion; managing other's emotions and the utilisation of emotion (Mayer, Salovey & Caruso, 2004). EQ refers to the cognitive ability to comprehend, recognise and appraise the meaning of emotions in order to rationally solve problems that may occur (Mayer, Caruso & Salovey, 1999). The branches of EQ that pertain to the perception of emotion and the management of own emotion are internalised and bound within the emotion system and are thus seen as more discreet areas of information processing, whereas branches three and four of EQ, which pertain to the management of other's emotions and the utilisation of emotion are externalized and encompass an individual's set goals and plans (Mayer et al., 2004). Furthermore, these authors state that it is important to emphasize the fact that each branch of EQ depicts the development of one's skills from a more elementary level to a

sophisticated level. The first branch of EQ, which focuses on the perception of emotion, refers to the ability to identify emotion in others' facial and postural expressions and thus recognise emotion that is displayed non-verbally (Goleman, 1995). The second branch of EQ, which refers to managing own emotions, includes having greater insight into what one is currently feeling and the motives behind them and it also refers to understanding the effect that these emotions may have on others (Goleman, 1995).

The third branch of EQ, which is the management of other's emotions, embraces empathy, the management of relationships, motivating others, as well as understanding the consequences of numerous emotions experienced (Mayer et al., 2004). These authors further explain that the last branch of EQ, which refers to the utilisation of emotion, includes the capacity of emotions to facilitate thinking and how the knowledge of this link between emotions and thinking can be closely aligned to one's social skills, self-motivation and planning.

According to Carmeli (2003), employees who have a high level of EQ, encompassing all four branches of the EQ model, are able to engender more positive feelings at the workplace and in doing so are happier and more productive in even the most stressful situations that are faced.

1.2.4 Linking Reward Preferences, Psychological Empowerment and EQ

Many financial firms today are bordering on the edge of disaster, as undesirable workplace conditions have created employees who are overworked, underappreciated and teetering between distress and exhaustion (Jekwu, Audu & Tochukwu, 2016).

According to Bussin and van Rooy (2014), it is for this reason that there is a growing need for enhancing organisational reward systems that will not only satisfy but also empower employees in the workplace. Thus, these authors state that by recruiting employees with stronger levels of EQ, coupled with training existing employees to become more emotionally intelligent, has positively been attributed to financial gains in the private sector. Employees bearing high EQ levels are more inclined to solve problems and face numerous obstacles impeding performance and as a result of this, will lead to greater job satisfaction, increased loyalty, as well as the overall commitment of an employee in the

face of adversity (Carmeli, 2003). Lopes et al. (2006) revealed that employees bearing a high EQ required greater merit increases and occupied a higher company rank than their colleagues. In light of this, a study shown by Jaeger (2003) found a strong relationship between EQ and employee performance, implying strong feelings of self-efficacy and task success in an organisation. Self-efficacy refers to the strength of the belief in one's competencies, which will ultimately influence the level of empowerment experienced by the employee at the workplace (Weierter, 1997).

According to Gkorezis and Petridou (2008) psychological empowerment is considered to be a promising solution for many firms that reside in today's turbulent business environment where competition is rife, especially in industries where employees' deal directly with clients. Cook (1994) supports this notion, by stating that empowered employees tend to have greater knowledge about their work and are thus able to identify and resolve any obstacles that are detrimental to performance. Additionally, research over time has exhibited a deficiency regarding the effect of rewards on an employee's psychological empowerment (Gkorezis & Petridou, 2008). Researchers studying psychological empowerment maintain that empowerment is only achieved when certain psychological states create a perception of empowerment within the employee (Mishra & Spreitzer, 1998). It was found in a wealth of studies that employees may be exposed to the risk of losing their job, as some organisations tend to place a large focus on competition and profits, which ultimately can result in job insecurity (Holm & Hovland, 1999).

Added to this, the research of Sparks, Faragher and Cooper (2001) as cited by De Cuyper and De Witte (2005) denote that employee perceptions of job insecurity were found to be associated with feelings of powerlessness and negatively related to employee well-being. It is evident that job insecurity has become prevalent in modern organisations, which more recently dates back to the upheaval of the economy during the 2008 Global recession (Stanley, Davey & Symon, 2014). It is suggested by Gkorezis and Petridou (2008), that in light of this, a possible remedy may be found in providing employees the necessary discretion to structure their reward package in such a way that will lead to feelings of stability, satisfaction and overall heightened levels of empowerment in the workplace. In addition to this notion raised, Spreitzer (1995) found that creativity, managerial

effectiveness, satisfaction and overall lowered levels of stress were related to feelings of empowerment. In relation to this, it was further found in a selection of literature that the satisfaction experienced by employees was strongly based on their emotional perceptions that were aligned to the conditions found in the workplace (Omosolape, 2015). Over the years, it became evident that an employees' emotional perception of the work environment may differ as a result of varying levels of EQ amongst the workforce (Osman, 2016). Additionally, EQ may be of great importance when employees are confronted with a high stress environment, in which they are expected to form intimate connections with all stakeholder groups involved (Cherniss, 2010).

According to Mayer and Salovey (1997), having a high EQ can lead to both physical and mental well-being, intellectual stimulation and growth, as well as cultivating the prospects for career advancement through prolonged exposure to workplace stressors. Yukl (2002) describes individuals with a high EQ as better adjusted, more aware of personal strengths and weaknesses and more growth-oriented than those with less EQ. This author suggests that employees with a high EQ will have a greater sense of self-awareness and as a result will be better able to determine which organisational rewards are preferred to fulfill their need for personal growth and advancement. In light of this, research done by Nikolaou and Tsaousis (2002) encapsulate the notion that high levels of EQ may in fact result in employees adapting to their environment with greater ease as well as improving their competencies.

When these emotionally intelligent employees strive toward improving their competencies in the workplace, it may subsequently manifest into greater feelings of empowerment, which is attributed to a proactive orientation toward job tasks, management, as well as to the overall organisation (Crant, 2000). Furthermore, employees with a high EQ instruct others more efficiently and can structure a workplace that is conducive to high performance and financial gains for an organisation (Bashir, 2017).

Thus, research has shown that having high levels of EQ may be the essential ingredient in organisations where ongoing interaction is required (O'Boyle et al., 2011).

1.2.5 The importance of Reward Preferences, Psychological Empowerment and EQ within investment banking

The Global Financial crisis of 2008 placed the investment banking industry under a large amount of both political and public scrutiny and as a result the industry's reputation has been badly damaged and is foreseen to suffer from this setback for a long time to come (Riaz, Buchanan & Bapuji, 2010).

According to Stanley et al. (2014), this tarnished reputation has led to the speculation that the investment banking industry largely requires a workforce that can serve to counteract this stigmatism that has been lodged. The industry of investment banking is characterised by extreme cases of unknowability and unpredictability, and therefore employees need to be skilled in order to provide clients with some form of the stability needed when it comes to transacting risky business (Stanley et al., 2014). Furthermore, these employees require soft skills that readily equip them to deal with clients in a supportive manner, whilst still demonstrating the necessary competencies related to portfolio management (Stanley et al., 2014). It is for this reason that these employees should have a strong EQ, as they are then able to manage the emotions of themselves and of others in order to elicit positive reactions from their clients (Salajeghe & Farahmand, 2015).

Additionally, these authors state that EQ is the capacity to state facts, remain flexible, solve problems and deal with stressful situations, which is essential when considering the nature of the investment banking industry. According to Bar-on (2006), an emotionally intelligent individual possesses the skills needed to cope effectively with daily work and life demands and those to successfully manage change. In connection to this, research has demonstrated that EQ is positively related to leadership, social relationships, as well as to occupational success, all of which bolster feelings of empowerment in the workplace (Barling, Slater & Kelloway, 2000). In light of the above, it can be understood that individuals with a higher EQ, may also experience a greater sense of power in their work environment and subsequently perceive their work environment as being more supportive (Houghton et al., 2012). A study conducted by Lopes et al. (2006) was adopted in an effort to try and prove that EQ was related to job performance, affect and attitudes at work and found that EQ was in fact positively related to attitude and job rank, as well as to employees' seeking increased

remuneration, praise and recognition at a leading financial company (Howe, Falkenbach & Massey, 2014). Based on this, the above authors postulate that it is then possible to deduce that the presence of EQ is positively related to both financial rewards, as well as to non-financial rewards, that may also be of preference to certain individuals when being rewarded accordingly. Additionally, Howe et al. (2014) state that the results of the above study propose that EQ provides employees with the valuable skills set that can contribute to success in work environments that are characterised with a high degree of volatility and unpredictability.

It is further recommended that in order to strengthen the branches of EQ within an organisation, it is necessary to reward and encourage this desired behaviour by structuring the appropriate reward system that takes individual needs into account (Howe et al., 2014). Wolfe and Kim (2013), who incorporates the relation of EQ into the work of Katz (1978), are of the belief that new employees with a high EQ are more satisfied when they perceive their job as having meaning with regards to the overall operation of the organisation, as opposed to longer-term employees with a high EQ who are more satisfied when they can demonstrate their competencies. Furthermore, the researcher of this study reasons that these heightened satisfaction levels that are attributed to employees of a high EQ, are also related to the sub-factors that make up empowerment, thus one can logically infer that this could ultimately manifest into an enhanced experience of psychological empowerment in the workplace. It is therefore also of the researcher's opinion that in order to ensure that employees within investment banking are satisfied and performing optimally in an environment attributed to various challenges, to structure reward packages in such a way that will lead to feelings of empowerment for employees of a high EQ in terms of what is personally preferable.

Lastly, financial organisations are viewed as being a large contributing factor to the wealth of the economy, both in South Africa, as well as on a global scale (Hoole & Hotz, 2016). Therefore, the study of the investment banking industry, that forms part of the broader financial sector, is highly beneficial as the research findings of Reward Preferences, Psychological Empowerment and EQ, and the effect of their proposed relationship can generate significant value that can be applied across organisations worldwide.

1.3 PROBLEM STATEMENTS

1.3.1 Problem statement 1

On the 15th of March 2017 the researcher searched the domains of Ebscohost, Emereld, Sabinet and Google Scholar, using the key words of ‘Reward Preferences, Psychological Empowerment and Emotional Intelligence’, alongside the term of ‘investment banking’ and no results were yielded.

Based on the above search, it can be inferred that there are currently no studies that were found that seek to investigate a relationship between the constructs of Reward Preferences, Psychological Empowerment and EQ and its relevance to the investment banking industry. There is thus a gap in research which this dissertation will endeavour to fill.

1.3.2 Problem statement 2

There is limited research that has been conducted on the constructs of Reward Preferences, Psychological Empowerment and EQ within a South African context.

1.3.3 Problem statement 3

Employees within the investment banking industry are faced with various challenges that may impede performance, as well as subsequently result in high levels of distress and burnout. This could be addressed via increased feelings of psychological empowerment, improving an employee’s EQ level and by considering and implementing the reward preferences of individuals within the workplace.

1.4 THEORIES AND MODELS

The theoretical objectives of this proposed study are to conceptualise the constructs of Reward Preferences, Psychological Empowerment and EQ and explore its relevance to the investment banking industry. This will be discussed in the following section with specific reference to the authors of these constructs.

1.4.1 Nienaber et al.’s (2011) Total Rewards Model

Nienaber et al.’s (2011) Total Rewards Model has been chosen for the purpose of this study based on its extensive view of total rewards and it is based on the rewards framework of WorlDatWork (2006). Nienaber et al.’s (2011) Total Rewards Model was established by

incorporating many reward categories from the most prominent total rewards models to date (Armstrong & Thompson, 2002; CLC, 2007; Lawler, 1990; Milkovich & Newman, 1999; WorldatWork, 2006; Zingheim & Schuster, 2007; as cited in Hoole & Hotz, 2016).

The Total Rewards Model comprises of six sub-factors that will be measured for the purpose of this dissertation namely, Compensation and Benefits, Performance and Career Management, Quality Work Environment and Work/home Integration, as seen in figure 1.1 below.

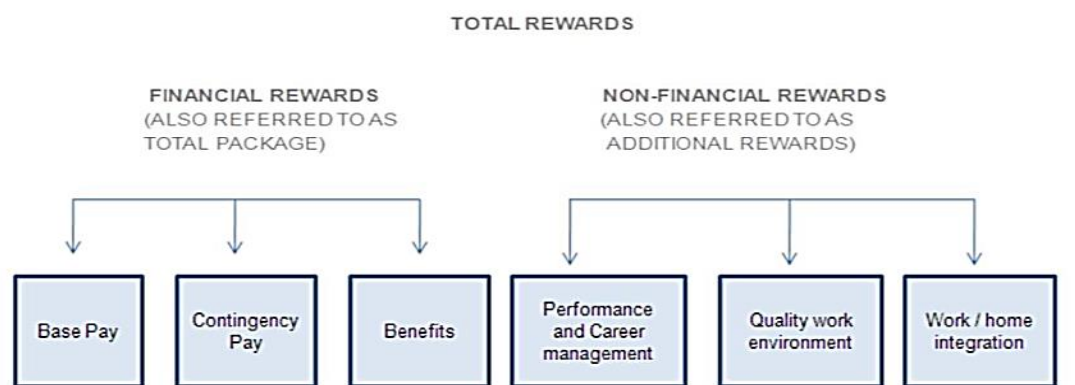


Figure 1.1: Nienaber et al.'s (2011) Total Rewards Model

1.4.2 Spreitzer's (1995) Psychological Empowerment theory

The multidimensional theory of psychological empowerment was developed by Spreitzer (1995) and has been chosen for this study based on its micro orientation and its importance within a work context during the 21st century where global competition is rife and innovation is needed all the way from administrative employees, right through to the managers from the executive suite of an organisation. This theory consists of four sub-factors that will be delved into for the purpose of this study namely, Meaning, Competence, Self-determination and Impact. Spreitzer's (1995) model is seen below in figure 1.2.

FIGURE 1
Partial Nomological Network
of Psychological Empowerment in the Workplace

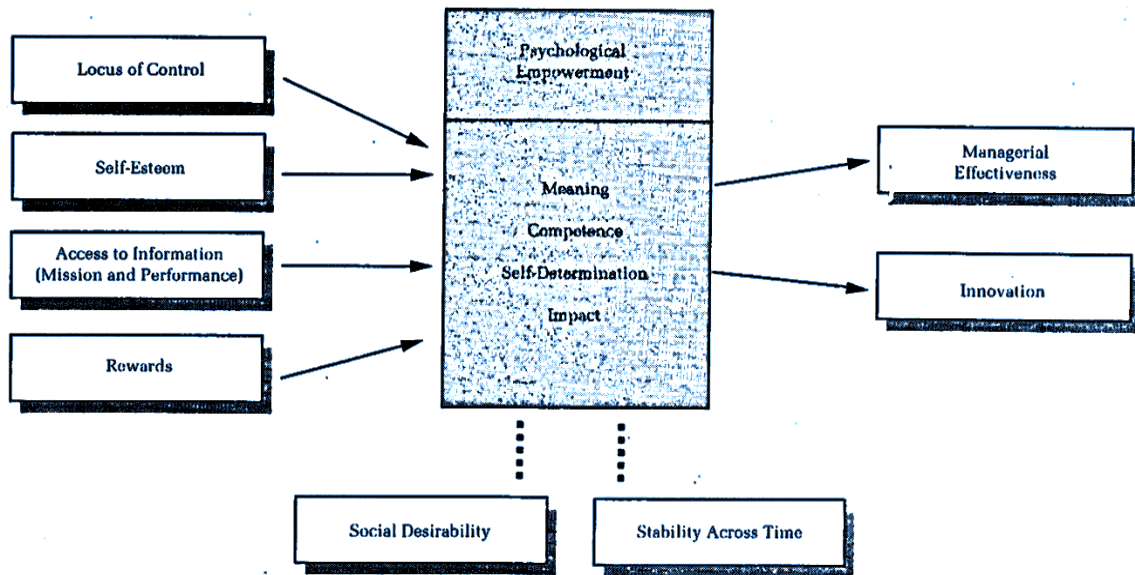


Figure 1.2: Spreitzer's (1995) Partial Nomological Network of Psychological Empowerment in the Workplace

1.4.3 Mayer and Salovey's (1990) Emotional Intelligence model

The model of Emotional Intelligence is based on the factors developed by Mayer and Salovey (1990) and is centered on four branches pertaining to EQ. This model was chosen for this study to emphasize how understanding emotions can facilitate individual behaviours and ultimately how this can positively be applied within a high stress environment.

Furthermore, this model is comprised of four-branches that will be investigated and measured in this dissertation namely, Perception of Emotion, Managing Own Emotions, Managing Others' Emotions and the Utilisation of Emotion.

1.5 RESEARCH OBJECTIVES

The next section presents the objectives that have been formulated to address the problem statements raised, whilst considering the above-mentioned theories.

1.5.1 General research objective

The primary aim of this research study is to establish whether a correlation exists between the constructs of Reward Preferences, Psychological Empowerment and EQ and its practical application to the investment banking industry in South Africa.

The secondary objective of this research is to ascertain whether any differences exist according to job level, namely between specialists/professionals in industry, as well as between general, junior and senior management, with regards to the three constructs.

1.5.2 Specific literature objectives

The literature objectives that have been implemented for this research study are as follows:

1.5.2.1 Literature objective 1

To systematically conceptualise and dissect the constructs of Reward Preferences, Psychological Empowerment and EQ and its various subcomponents thereof, in order to lay a foundation that will allow for further research to contribute to new, as well as to existing studies.

1.5.2.2 Literature objective 2

To examine the relationship between Reward Preferences, Psychological Empowerment and EQ and its application to the investment banking industry.

1.5.3 Specific empirical research objectives

This research study conducted will lean toward being more exploratory in nature, as the topic under investigation has not been researched extensively in previous studies to date. The research will also be descriptive in nature in order to shed light on the behaviours suggested from each construct as well as comparative, in order to report on the behaviours that may arise from each construct measured and to assess the extent to which they might relate or differ. The core purpose of the empirical section of this research is to obtain primary data to empirically examine the role that the relationship of Reward Preferences,

Psychological Empowerment and EQ has within the investment banking industry, in South Africa. Further specific empirical research objectives are discussed below:

1.5.3.1 Empirical objective 1

To administer a composite questionnaire comprising the 42-item Reward Preferences Questionnaire (RPQ), developed by Nienaber et al. (2011), Spreitzer's (1995) 12-item Psychological Empowerment Questionnaire (PEQ) and Schutte's (1998) 33-item Self-Report Emotional Intelligence Test (SSEIT), in order to identify specific reward preferences and measure the degree of psychological empowerment and EQ held by an individual respectively.

1.5.3.2 Empirical objective 2

To administer all three questionnaires electronically to a sample of approximately 200 respondents within the investment banking industry in South Africa.

1.5.3.3 Empirical objective 3

To ascertain with some form of statistical significance that the instruments that will be used in this study are both reliable and valid.

1.6 CENTRAL THEORETICAL STATEMENT

The testable statement derived from the theoretical section of this dissertation is that in order for employees within the investment banking industry to be effective in what they do and readily adapt to an ever-changing environment, they should be able to structure their own reward package in terms of what is personally preferable, they should derive strong feelings of psychological empowerment from the work that they do and should have high levels of EQ.

Thus, this suggests that a relationship should exist between Reward Preferences, Psychological Empowerment and EQ, specifically within investment banking professionals in South Africa.

1.7 RESEARCH PROCESS

This section will account for the research process to be followed for the purpose of this dissertation, which involves the manner in which the researcher will acquire and interact with the data needed in order to produce scientifically valid research. Although this research aims to be exploratory, descriptive and comparative in nature, to some extent much emphasis will be placed primarily on the descriptive component, so as to gauge accurate information in order to set a theoretical foundation pertaining to Reward Preferences, Psychological Empowerment and EQ and then secondly, on the exploratory and comparative component, to expedite an understanding of how and to what degree the constructs are related and ultimately what resultant behaviours are expected to occur upon considering the descriptive, exploratory and comparative component in unison. This research study will consist of two main stages that will be followed. The first stage will involve reviewing the literature pertaining to the topic, as well as adopting a qualitative analysis of all three concepts. This will begin with conceptualising the constructs of Reward Preferences, Psychological Empowerment and EQ respectively. Following to which, the respective sub-components of each individual construct will be expanded upon. The second stage of the research study will comprise of the empirical component of the dissertation. The research method will be explained, followed by an outline and discussion of the findings. Considering the findings, feedback and recommendations will be provided to the private investment banking firms, as well as to the larger institutional banks involved and thereafter the possible limitations relevant to this study will be discussed, as well any areas that present an opportunity for future research to take place.

1.8 Conclusion

This chapter has highlighted both the relevance and the background to this study, as well as its respective significance to the investment banking industry. The theories that form an integral part to the foundation of this study, the general research objectives, as well as the specific literature and empirical objectives were outlined and following to which the research process was clarified. The proceeding chapter will report on the constructs under scrutiny, present the set hypotheses, as well as provide the proposed theoretical model to the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Organisations' that operate within the financial sector today are required to adopt more innovative means of reward management in order to differentiate themselves as being a competitive player in the global marketplace (Heneman, 2007). This author further states that the elements that make up a total rewards framework represent an inventory from which an organisation can draw from to design its reward packages that can create value for its employees. It can also assist an organisation in identifying the correct combination of rewards preferred by its particular workforce (WorldatWork & Towers Watson, 2012).

Therefore, the diverse and unique attributes that employees bring into an organisation must be leveraged and the extent to which rewards impact and influence their behaviour must be adequately understood (Callakoppen, 2016). EQ generates the skills needed for individuals to effectively choose from various alternative reward options, remain positive in solving problems, obtain emotional buy-in from stakeholders and ultimately feel that they have control over their environment (Slaski & Cartwright, 2002).

Employees who believe that they have control over their environment will derive higher levels of task motivation, which in turn, has been linked to performance excellence manifested through the experience of psychological empowerment (Hosain, 2014). Therefore, reward strategies should strive to take an employees' needs and work role expectations into consideration as this will strongly align to the quality of work, they are able to produce (Mather & Lighthall, 2012).

The purpose of this chapter is to discuss and expand upon the three constructs under scrutiny and their relationships, as well as their relevance to the investment banking industry. Each of the aforementioned constructs will be discussed in greater detail in this chapter.

2.2 **Reward Preferences**

Boyd and Salamin (2001) state that the loss of intellectual capital within an organisation is seen as a consequence of the mismatched alignment between what employers want to offer in term of rewards and what their employees' want. Therefore, in order to counteract these problems, organisations have to adopt reward strategies that are suited to their work environment and that will meet their talent demands needed for business growth (Boyd & Salamin, 2001).

Armstrong (2006) further indicates that employees that possess key skills are much more demanding and are looking to organisations to make provisions on the basis of their individual preferences. Linkow (2006) states that organisations can respond to these demands by understanding their employees' reward preferences. It has become widely recognised that rewards have the power to evoke and bring forth the outstanding performance seen in various modern organisations that have moved away from traditional reward practices (Chiang & Birtch, 2012). According to Malhotra, Budhwar and Prowse (2007) rewards are all forms of financial return, tangible services and benefits that an employee receives as being party to the employment relationship. However, according to Gross and Friedman (2004) it is important to bear in mind that employees are not all homogeneous and therefore not all rewards are equally efficient.

Eshun and Duah (2011) further mention that employees have varying needs, aspirations, as well as differing perceptions of what constitutes appropriate rewards for effective motivation, as well as for personal fulfilment. Thus, appropriately rewarding employees requires an in-depth understanding of human nature, individual differences and perceptions of suitable rewards and incentives (Eshun & Duah, 2011). Therefore, the reward preferences of employees can significantly differ depending upon demographic characteristics and are suited to different employees according to job level, job category, as well as to geographic location (Mercer, 2008).

According to ACCA (2013), when applying Maslow's hierarchy of needs theory to reward practices, it indicates that junior employees earning a lower salary may be motivated by receiving higher monetary rewards, as this will allow them to fulfill their physiological

needs. However, according to this author, as an employee advances in their career and becomes more qualified, monetary rewards tend to become less significant, as there are other needs evident in the hierarchy, such as job security, the ability to reach one's full potential and the feeling of being recognised, all of which become increasingly important. Therefore, based on the above, the researcher hypothesises the first area of measurement pertaining to the empirical section of this study.

H1: Reward Preferences vary according to job level.

Sarvadi (2010) recommends that every organisation's reward system should strive to focus on four major areas, namely compensation, benefits, recognition and appreciation. In support of the above, La Belle (2005) agrees that different employees have different needs for rewards and this can comprise of either financial or non-financial incentives. These incentives refer to an organisations' total rewards strategy and comprise of all of the financial, non-financial and psychological payment provided to an employee in exchange for their work performance (Reilly & Brown, 2008).

These authors suggest that individual rewards that are personally preferable to an employee can be seen as crucial to enhancing performance, as employees who are well rewarded are more likely to feel valued at the workplace.

2.3 Total Rewards

According to Markova and Ford (2011) real organisational success is owed to an employees' readiness to use their creativity, energy and skill for the overall benefit of an organisation and effective reward systems nurture and encourage these efforts. The total rewards strategy flows from an organisation's business and human resources strategy and strongly aligns to its goals (Armstrong, 2006).

Furthermore, a total reward strategy can be seen as a declaration of intent, which defines an organisation's long-term plans for the development and execution of effective employee reward policies, processes and practices to foster an employee's motivation in achieving the strategic business goals (Armstrong, Brown & Reilly 2010). WorldatWork (2007) refer to total rewards as anything that employees' value within the employment relationship that is provided to them in exchange for their results within the work environment. A total

rewards approach considers employees more holistically in terms of both their personal and professional needs (WorldatWork, 2007). The total rewards model is commonly categorised into financial rewards, also referred to as transactional or tangible rewards and non-financial rewards, also referred to as relational or intangible rewards (Du Toit, Erasmus & Strydom, 2007). Total reward models that are structured to be more flexible can readily adapt to environmental, individual and organisational changes; act as a catalyst to motivate, attract and retain talented employees; and can positively impact on productivity (Hill & Tande, 2006).

WorldatWork (2007) posits that total rewards consist of five elements that describe an organisation's strategy to attract, motivate and retain employees, namely compensation, benefits, work-life, performance and recognition, and development and career opportunities. These aforementioned reward elements as implemented by WorldatWork (2011) are illustrated below in Figure 2.1, which graphically demonstrates how both the total reward elements and an organisation work together to successfully form a holistic picture and influence one another to achieve individual and business results. However, Nienaber et al.'s (2011) Total Rewards Model forms the basis for this study, as seen in figure 1.1.

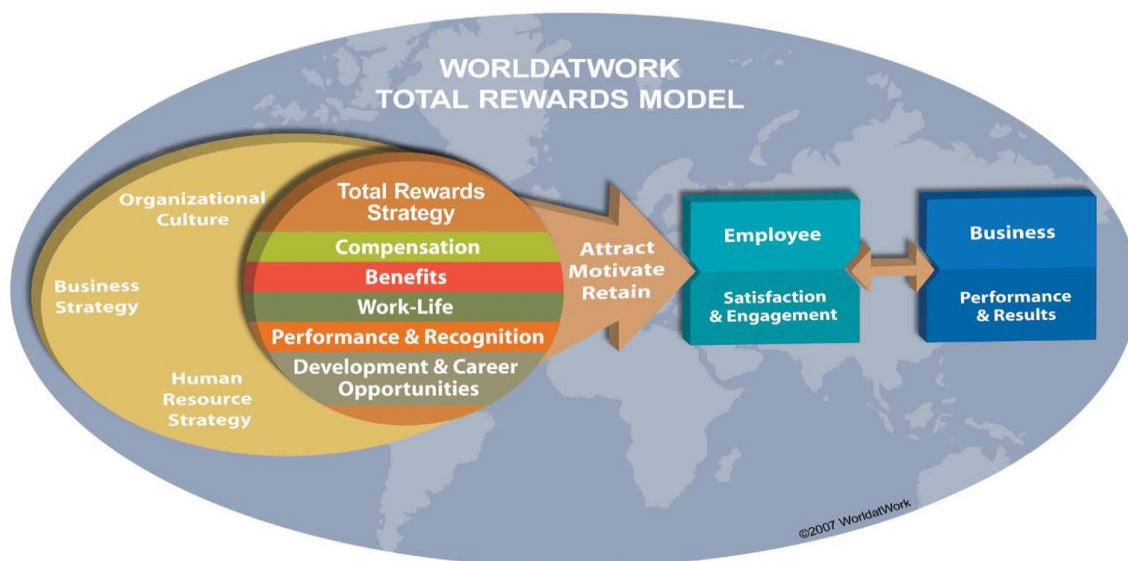


Figure 2.1: WorldatWork Total Rewards Model (2011, p.3)

The components of Financial Rewards, namely Compensation and Benefits, as laid out by Nienabar et al.'s (2011) Total Rewards Model will be discussed below.

2.3.1 Financial Rewards

Financial rewards are rewards that are not associated with the job itself and are made up of both a fixed component consisting of pay and benefits, as well as a variable component consisting of incentives or contingency pay (Nienaber et al., 2011; WorldatWork, 2007). Financial rewards are provided to an employee from an employer in return for their economic value add and serve the interests of both the individual employee as well as the organisation (Lazear, 2000).

Lawler (1990) is of the belief that extrinsic rewards such as pay are the reason why employees go to work in the morning. However, as a result this may sometimes cause presenteeism to occur, which refers to the act of staying at work longer than required, which if sustained consistently over time, could become detrimental to an employees' health and general well-being. It is therefore important to limit the effect of pay as a motivator for performance and to also consider the joint benefit of non-financial rewards as a long-term effort to motivate employees within the workplace (Kohn, 1993).

2.3.1.1 Compensation

Compensation refers to the remuneration that is provided to an employee, by an employer, for their services rendered, which includes both fixed and variable pay (WorldatWork, 2011). The fixed component of compensation incorporates the cost-of-living allowances paid to employees in the form of a salary, irrespective of their performance (Burke & Hsieh, 2006). Variable pay schemes include individual, group and organisational level forms of pay, which refer to payment in the form of bonuses, incentives, profit sharing, and other pay-for-performance schemes offered by an organisation (Burke & Hsieh, 2006).

It is crucial for an organisation to determine the optimal balance between fixed and variable compensation to ensure high levels of productivity amongst its employees (Burke & Hsieh, 2006). According to WorldatWork (2012) fixed remuneration tools are predetermined based on the selected rewards framework. The rewards selected are further substantiated by economic exchange logic that suggest that the benefits derived from financial rewards

are representative of the primary drivers of employee performance (March & Simon, 1958). These authors state that the reason for this is owed to the fact that employees will strive to meet their job requirements because they expect a clear and mutually beneficial exchange of financial rewards in return for their contributions made to an organisation. Deci and Ryan (2000) further state that this is a result of the existing needs of families being subjected to higher standard of living costs that have driven employees to obtain a higher salary so that they can secure their present, as well as their future financial obligations. Bozeman and Gaughan (2011) state that personal fulfillment at work is aligned to being paid in terms of an employees perceived worth to an organisation.

2.3.1.2 Benefits

Employee benefits represent one of the biggest investments an organisation can make in terms of its talent in the competitive marketplace of today (Kwon & Hein, 2013). The Bureau of Labour Statistics defines benefits as any form of indirect or non-monetary contribution that is granted to employees by an organisation (BLS, 2008).

Some employee benefits are required by legislation, and are referred to as discretionary benefits, as they are paid in the same way to all employees, such as employer contributions made to pension funding, medical aid, retirement savings and paid leave (Klonoski, 2016). However, these benefits that are mandated by legislation might reduce an employee's loyalty to an organisation because they are seen as rights or entitlements (Weathington & Tetrick, 2000). Organisations also offer non-discretionary benefits to their employees, that are personally tailored to the individual, such as wellness programs, as they promote job satisfaction and engender loyalty, which in turn, can result in improved financial performance (Chan, Gee & Steiner, 2000).

It is therefore apparent that the benefits offered to employees in the workplace make up an important component of the employment relationship, providing them with access to various fringe benefits, as well as support in achieving a healthy work-life balance (Kwon & Hein, 2013). Additionally, according to WorldatWork (2011), the benefits program an employer uses to supplement the cash component that employees receive, provides security to employees and their families.

The components of Non-Financial Rewards, namely Work/home Integration, Performance and Career Management and Quality Work Environment, as illustrated in Nienabar et al.'s (2011) Total Rewards Model will be discussed below.

2.3.2 Non-Financial Rewards

Non-financial rewards are attributed to the job content and include motivational characteristics such as skill variety, autonomy, feedback, as well as employee participation in decision-making and role clarity (Glisson & Durick, 1988). Employers have become more aware of non-financial reward offerings and their associated benefits, which they leverage to increase employee performance in line with the business goals (Zani et al., 2011). Furthermore, employers have begun to realise that paying wages above or at market-levels simply is not sufficient enough to encourage, motivate and retain staff (Whitaker, 2010).

Non-financial rewards, refer to the social, tangible and job-related incentives that commonly fall outside of the employment contract and are used to engage employees without any monetary benefit, which can greatly affect an employee's well-being (Grant Thornton, 2017). Social incentives are related to the superior-subordinate relationship that include formal or informal recognition, such as a letter of appreciation for a job well done (Bandiera, Barankay & Rasul, 2010). Tangible incentives, on the other hand, are the tangible offerings that symbolise achievement, such as a gift, a voucher or discounted merchandise, all of which can enhance an employees' commitment to their job (Jeffrey & Shaffer, 2007). Lastly, these authors state that job-related incentives refer to job rotation, job enrichment, growth opportunities, job security, flexible working hours, participation in decision-making, autonomy in job tasks, all of which are significant for motivating, satisfying, committing and encouraging employees to perform their job well.

Non-monetary rewards, whether it be tangible, social or job-related provide added benefits to an employee that is seen as separate from their monthly paycheck and shows acknowledgement and praise for accomplishments (Kahn, Tarif & Zubair, 2016). It is of the belief of Nienabar et al. (2011) that employees are unequivocally in search for more

meaningful rewards from their organisation, as they place great value on non-financial rewards to sustain their overall level of happiness and well-being in the workplace.

2.3.2.1 Work/home Integration

Advances in communication technology have resulted in employees being increasingly characterised as having an ‘always-available’ mentality (Jones, Burke & Westman, 2006). This is owed to the use of smart-phone devices and the availability of wireless internet access, giving rise to increasing expectations for faster response time to work-related communications that ultimately increase an employees’ office hours and time spent working at home (Milliken & Dunn-Jensen, 2005).

Work-life integration has therefore taken its place in the 21st century workplace as an extreme necessity, as employees are more knowledgeable and aware of what they want out of their job (Wang & Verma, 2012). These authors further state that even though there are significant differences across industries in how work-life integration is implemented, it is still crucial for an organisation to strongly consider if they are to be an employer of choice in this regard. According to WorlDatWork (2011) work-life integration refers to a specific set of organisational policies and practices and encompasses a philosophy that is supportive of employees in achieving success in both their work and home life. Work-life integration can therefore be seen as a state of balance that is achieved by an employee when the demands of both work and one’s personal life are met more comfortably (Devi & Nagini, 2014).

A family-responsive employer recognises the challenges of integrating work and non-work demands for employees at all stages of their family life-cycle (Lewis & Cooper, 1996). Having greater work flexibility and autonomy in the workplace, as well as having high levels of self-determination to act in accordance to one’s own discretion, may result in more discretionary time and improved work-family interface, which should lead to decreased stress and lowered absenteeism (Parker & Kulik, 1995). Based on this, the researcher sets the following hypothesis.

H2: Respondents who exhibit high levels of Self-determination prefer Work/home Integration as a reward.

Clark (2000) states that it is important to assimilate career objectives together with personal and family needs, as it is an important parameter when developing the coping strategies needed to handle stressful situations either at work or at home. As this author states, having good work-life balance provides autonomy, enhanced overall well-being, increased job satisfaction, as well as job security. According to Shylaja and Prasad (2017), it has been found that employees with a higher EQ level are better able to manage their emotions and cope with the stresses that may arise due to the spill-over effect experienced when attempting to balance one's work and home life. As a result, the researcher sets the following hypothesis.

H3: Respondents who are able to Manage their Own Emotions prefer Work/home Integration as a reward.

2.3.2.2 Performance and Career Management

Job performance, in terms of performance evaluation and management, forms part of an essential role to effective HR management and is the most sought-after developmental intervention on the HR scorecard (Bateman & Snell, 2007). Aguinis (2013) refers to performance management as a continuous cycle that includes identifying, measuring and developing the competencies of individuals and teams while simultaneously aligning their demonstrated performance to the strategic goals of the organisation.

According to Rubina et al. (2008) job performance is the consequence of three variables including aptitude, exertion and work conditions. These authors state that aptitude concerns the mental capacity and ability of an individual to conceptualise information, whereas exertion refers to the vigor an employee brings toward finishing the job and the work conditions refer to the conditions present that encourage or deter performance efforts. Alessandri et al. (2012) state that feelings of work satisfaction denote a pleasing or positive emotional condition taking place or resulting from the evaluation of one's performance.

These authors further state that satisfaction with regards to one's work performance emerges when there is harmony between the job requirements and an employees' expectation of their performance. When this is achieved, a positive emotional response will emerge, leading to more productive performance levels (Cooper & Sawaf, 2001). This

notion is in line with Patton (1998), who believes that an effective activation of emotion will result in improved productivity levels and subsequent work success. Furthermore, this author states that employees with good work optimism pose the ability to better utilise their emotions, which will ultimately affect performance. It is of the researcher's opinion that if individuals are able to positively harness their emotions in order to take their performance to new heights, they will in return be more motivated to reach their full potential. Therefore, the researcher sets the following hypothesis.

H4: Respondents who are able to Utilise their Emotions effectively prefer Performance and Career Management as a reward.

Organisations also seek to provide employees with development programmes in order to enhance their capabilities and improve their job performance (Sheri-lynn & Parbudyal 2007). This is further necessary in an environment where high uncertainty is prevalent, which exposes an organisation to high risk and therefore training efforts become invaluable in improving employees both resourcefully and competently (Jelena, 2007). Recognition for performance, in the form of feedback, is a method which positively reinforces observable behaviours that are considered desirable by an organisation, as well as acknowledging performance excellence (Nelson & Quick, 2013).

Furthermore, employee recognition is imperative to building the identity of individuals in the workplace by giving their work meaning, promoting their development, providing opportunities for career advancement and contributing to their overall health and well-being (Grawitch et al., 2006).

2.3.2.3 Quality Work Environment

According to Syauta et al. (2012) a quality work environment can be defined as an administrative philosophy that seeks to respect and uphold its employees, values them physically and emotionally and is concerned about their overall well-being. A quality work environment is made up of supportive collegial and superior relationships, healthy competition, constructive feedback on performance and working conditions that foster productivity and work engagement amongst employees (Syauta et al., 2012).

Syauta et al. (2012) further believe that a quality work environment should encompass a positive work atmosphere, that is seen as being implicit to the psychological contract, as this is expected by each and every employee in the workplace. Thomas and Ganster (1995) state that it is also of great importance to implement programmes designed to accommodate the needs of today's employees. These authors state that this may include interventions such as flexible work schedules, family-friendly benefits, workplace counselling, and access to child-care facilities at the workplace, in order to enhance employee job attitudes and overall well-being. An organisation's working conditions that have the ability to generate greater well-being amongst the workforce, as well as enhanced productivity levels, consists of receiving adequate support from managers (Syauta et al., 2012). Social support offered by an organisation to its employees may be emotional, instrumental, or informative and acts as a moderator to the experience of performance-related stress (Fenlason & Beehr, 1994). Emotional support entails providing empathy and care to a fellow employee during a stressful situation and being able to solicit advice by decoding the emotions conveyed into useful suggestions, which strengthens levels of self-confidence and combats every-day stress (Heaney et al., 1995). Instrumental support provides an individual with assistance and guidance to deal with certain demands and problems in a healthy and productive way (Billings & Moos, 1982). Informative support is given in order to reduce any uncertainty or ambiguity encountered at the workplace, by effectively communicating with others and being part of a social network (Lazarus & Folkman, 1984).

Therefore, the author of this study reasons that in order to provide such forms of support within an organisation, one needs to bear a relatively high EQ level to do so successfully by managing the emotions of others' well, which is pertinent to influencing the level of quality experienced in one's work environment. This is supported by Silvia (2002) who states that the emotional perception that an employee has regarding their working conditions may differ among employees as a result of their EQ levels. Consequently, it is hypothesised that:

H5: Respondents who can effectively Manage the Emotions of Others' prefer Quality Work Environment as a reward.

The researcher will now highlight upon the effect of various reward offerings and their impact on employees within the work environment.

2.4 The influence of Rewards within the work environment

Literature over time has shown that financial rewards are more powerful and effective in attaining employee motivation, performance and commitment in jobs that are characterised as being more mechanical in nature, while another school of thought shown across literature argues that non-financial rewards are best suited for motivating employees whose job requires more intellectual stimulation (Pink, 2009). According to this author, in the long-run employees tend to view their monetary rewards as a form of entitlement, which as a result may lose its motivation effect.

According to the Corporate Leadership Council (2002), previous research has agreed that pay is the most important reward component for employees, as money is needed to sustain the basic need of survival. However, employees would not be adequately fulfilled by just solely satisfying their lower-level needs (Herzberg, 1966). It must be noted that employees are categorically complex individuals and strive to fulfil their higher-order needs and its corresponding level of satisfaction, which may allude to other factors such as recognition, having greater responsibility, individual achievement and personal development, all of which have a resultant effect on an employees' well-being (Herzberg, 1966). Therefore, the challenge is to design pay packages in such a way that it will be supportive to sound management practices and assist in the attainment of business goals by empowering employees to perform at incessantly high levels (Bergmann & Scarpello, 2001).

Additionally, benefit programs and practices used by an organisation can be valuable in creating an atmosphere in which employees become more engaged and motivated (Society for Human Resource Management, 2014). Thus, it may be necessary to group employee benefits according to the purpose they serve, as well as in terms of the subsequent effect it may have on employees in relation to their needs (SHRM, 2014). It is therefore also necessary for all organisations to find the right balance between discretionary and non-discretionary benefits that are offered and their suitability to the type of industry operated in, as this will differentiate a highly competitive firm from the rest (Klonoski, 2014). This

too can be achieved by successfully obtaining a good balance between work and family commitments, as this has become a growing concern for many contemporary employees and organisations, owing to a wealth of supporting evidence linking work-life conflict to decreased health and well-being among working individuals' and their families (Wang & Verma, 2012). It is of the researcher's opinion that while literature may suggest a general trend toward certain rewards, individuals are inconsistent with the way in which they translate these rewards, due to their life-stages, behavioural activities and personal preferences, and organisations' therefore need to account for this. As a result, employees will ultimately become empowered to exceed expectations when the right work environment and total rewards strategy is in place and is in line to their specific needs (Atchison, 2003). It is for this reason that it has become essential for managers to tailor rewards as a way to focus on and understand employees and their unique qualities (Atchison, 2003).

The researcher will now go on to discuss the relevance of Reward Preferences in terms of how they apply to the investment banking industry, which is the main focus of this empirical study.

2.5 Reward Preferences within investment banking

Research over time has shown that rewards can influence individual behaviour in the workplace, to the extent that the rewards offered are perceived as valuable and relevant to the industry operated in (Schwab, Olian-Gottlieb & Heneman, 1979). Investment banking is an adrenaline-charged industry that requires employees to cope with long working hours, high risk transactions and the ability to juggle one's work and home life (ACCA, 2013).

Previously, the primary focus of reward systems was on compensating employees by purely financial means, but now with the changing dynamics of today's workforce, a more holistic and integrated approach to reward management is required (Zingheim & Schuster, 2001). Therefore, the reward decisions made by an organisation may signify their priorities to an employee as well as their subsequent value, and this serves as a signal to potential investors and the industry the organisation operates within and should therefore be strongly considered when designing reward packages for these professionals (Mather & Lighthall,

2012). Additionally, the investment banking industry is comprised primarily of knowledge workers who partake in risky trading and client relationship management and thus have high needs for self-actualisation (Thomas, 2006). The researcher suggests that this may indicate that these individuals who are successful and innovative in their careers, may prefer to follow their own ideas and interests. Therefore, financial incentives may not be sufficient enough to generate high levels of motivation for these employees, while non-financial rewards, such as career development, can help them meet their needs of self-actualisation (Yousaf et al., 2014). According to Spreitzer (2006), information regarding individual performance is important because it strengthens feelings of competence and impact for knowledge workers and can provide direction on how to sustain or improve performance and this is essential for employees operating within financial industries.

The researcher will now discuss the construct of Psychological Empowerment and its four sub-factors, namely, Meaning, Competence, Self-determination and Impact.

2.6 Psychological Empowerment

Although the concept of empowerment has also been conceptualised as a structural construct in previous research, the focus here is on empowerment as a psychological experience of individuals within the work environment (Kanter, 1993). From a psychological perspective, empowerment is not defined as a personality disposition, but rather a dynamic construct that reflects upon an individuals' perception about individual-environment relationships (Mishra & Spreitzer, 1998).

However, an internal state of intrinsic motivation is found central to all forms of empowerment (Conger & Kanungo, 1988). According to Spreitzer (1995) psychological empowerment refers to an individuals' level of intrinsic motivation that is based on the experience of the cognitions connected to their work role.

Zimmerman's (1995) nomological network for psychological empowerment has been one of the most influential theoretical models for the study of psychological empowerment, operating within organisational, community and individual-level contexts. For the purpose of this study, psychological empowerment refers to empowerment at the individual-level of analysis (Zimmerman, 1990). This author specified three components of psychological

empowerment, namely, intrapersonal/emotional; interactional/cognitive; and behavioral. The intrapersonal or emotional component of psychological empowerment refers to the personal belief that one sees themselves as capable of having an impact on organisational change processes and decision-making (Zimmerman, 1995). As Figure 2.2 indicates, the intrapersonal component of psychological empowerment includes perceived control, competence and self-efficacy, which provide individuals with the motivation to engage in behaviours in order to influence desired outcomes (Strecher et al., 1986). The interactional, or cognitive component of psychological empowerment refers to an individual's strategic understanding pertaining to social systems, processes and power that are necessary for exerting influence and pioneering change (Zimmerman, 1995). The behavioural component of psychological empowerment refers to the actions taken to directly influence outcomes and includes the behaviours needed to manage stress or to readily adapt to change (Zimmerman, 1995). When these three components are merged, they represent the characteristics attributed to empowered individuals who believe in their capabilities to lead and influence others, who fully comprehend the dynamics prevalent to different environments, who engage in change efforts, and who collaborate with others to facilitate their empowerment and expand upon personal networks (Zimmerman, 1995; Christens, 2012).

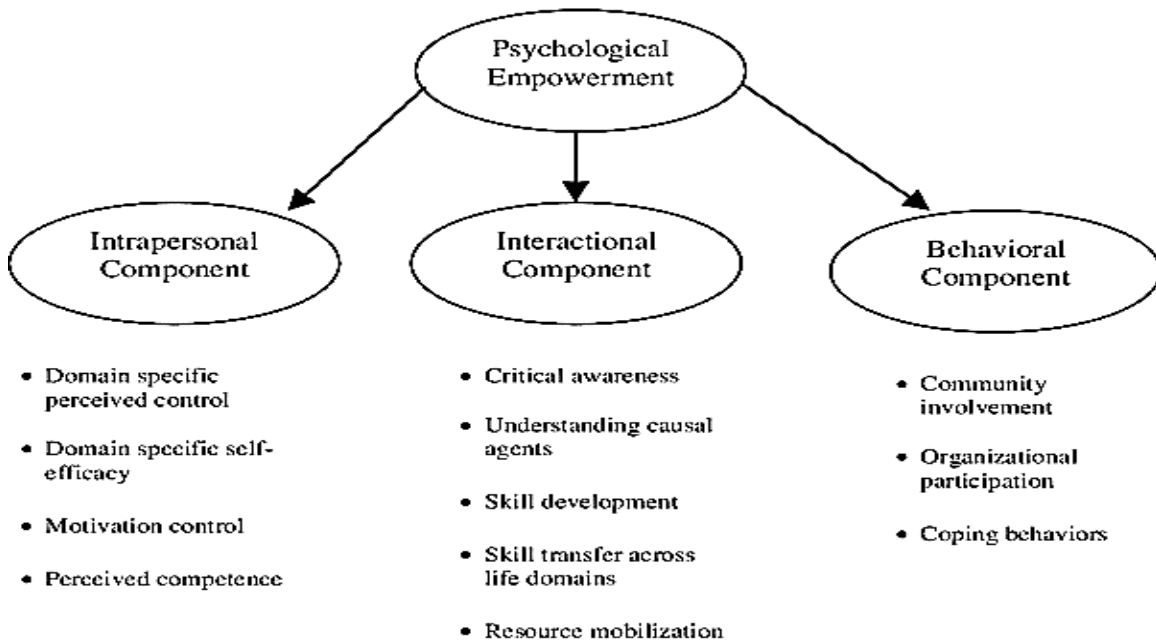


Figure 2.2: Zimmerman's (1995) Nomological Network of Psychological Empowerment

Spreitzer (1995) on the other hand developed a partial nomological network that focusses on an individual's experience of psychological empowerment when embedded in a work setting, whereas in Zimmerman's (1995) model, organisational, community and individual levels were considered. Spreitzer's (1995) model is in line with the notion set out by Thomas and Velthouse (1990) that the work context and personality traits of an individual work together to shape the empowerment cognitions which motivates behaviour. More specifically, Spreitzer (1995) proposed that internal locus of control, self-esteem, access to information about the organisation and access to organisational rewards were all positive antecedents of psychological empowerment.

Rotter (1966) who first introduced the concept of locus of control suggested that an individual's perception of the cause of certain events, will greatly influence their behaviour and the effort they invest into an activity in the work environment, which will subsequently affect their feelings of empowerment. It has been further suggested that working for a reputable organisation can also empower employees by influencing their perception regarding their job, as well as their self-esteem (Bergami & Bagozzi, 2000). The latter is attributed to an individual's personal identity being tied to how others view a particular organisation (Dutton & Dukerich, 1991).

Deci et al. (1989) argued that a leader within an organisation plays a vital role in fostering an employees' feelings of self-worth and self-esteem. In fact, employees tend to take very little, to no responsibility and autonomy if they do not feel supported by their supervisors. In order for an individual to feel empowered in the workplace, there must first be a transfer of formal authority within the organisation, whereby supervisors entrust their subordinates with a level of responsibility to perform certain tasks and make decisions which they themselves consider as valuable (Dhladla, 2011). According to the author of this study, while there is hierarchical power within an organisation that empowers individuals on the basis of their status, the primary experience of psychological empowerment is determined intrinsically, variations may still occur according to job level. Therefore, the researcher sets the following hypothesis.

H6: Psychological Empowerment varies according to job level.

On the other hand, having access to information, which is a key tool to empowerment, also elicits the experience of psychological empowerment, owing to the information needed to make more informed decisions and better choices (Bowen & Lawler, 1992). These authors further state that information regarding an organisation's mission helps to create a sense of purpose and is indicative of how to act in accordance with the organisation's goals. Furthermore, information regarding individual performance in the form of feedback is vital as it strengthens feelings of competence and impact and can provide direction on how to maintain or improve performance (Bowen & Lawler, 1992).

Thomas and Velthouse (1990) suggest, which is later confirmed by Spreitzer (1992), that empowerment should be conceptualised as a gestalt of four different types of feelings that are related, yet to some extent independent of one another. Therefore, psychological empowerment is a composition of four cognitions displayed as a sense of meaning, competence, self-determination and impact (Spreitzer, 1995), to be discussed to follow.

2.6.1 Meaning

The majority of employees spend a large portion of their time at work, which should instill within them a sense of purpose, belonging and identity (Rosso, Dekas & Wrzesniewski, 2010). According to Thomas (2009), employees regard work as meaningful when provided with the opportunity to achieve something of value and can contribute to the success of an organisation.

Work that is meaningful is a crucial aspect in creating a positive work environment, which arises from an employee having a good understanding of the organisation's vision and its overall purpose and therefore, resulting in individuals becoming motivated if they perceive their contribution as making a difference (Cameron, Dutton & Quinn, 2003). Additionally, meaning is reflective of a personal connection that one has in their work (Mishra & Spreitzer, 1998). According to Shelton (2016) individuals want to perform tasks which they feel are useful and participate in work that is personally fulfilling. Therefore, deriving meaning from one's work has become so important that it has become an essential human need (Yeoman, 2013). According to Maslow's hierarchy of needs theory, individuals will derive a greater sense of meaning through the affiliation to a group of individuals that share

similar interests and lifestyles, which is evident within an organisational setting (Cameron et al., 2003). Many psychologists have been interested in the way in which individuals expand their experience of this through either the acceptance of their selves or by expanding their level of conscious awareness (Rogers, 1995). When individuals' experience a certain positive state, such as the experience of work as being internally meaningful to them, it is seen to reflect upon a certain feeling or mood response, which arises when a match is found between personal expectations and environmental realities, whereby a shift inwards occurs to clarify the experience and facilitate a behavioural response (Mayer & Salovey, 1993). This implies that:

H7: Meaning is positively correlated to Perception of Emotion.

Renard (2015) states that if employees are able to secure an alignment between their own personal values and the organisation's overarching goals and mission, it will result in employees becoming more involved and committed to the work itself. Therefore, the researcher of this study suggests that this occurrence will give rise to a ripple effect of motivation that is found within an individual and may subsequently lead to the empowerment of others within the work environment.

2.6.2 Competence

Gist (1987) defines competence as an individual's belief in their personal capacity to perform job activities with skill, which is synonymous to self-efficacy. Self-efficacy can be conceptualised as an individual's belief in their competencies to successfully perform certain tasks and activities (Bandura, 1977).

According to Ryan and Deci (2001) feeling competent and confident with respect to reaching a certain performance goal is associated with enhanced intrinsic motivation and well-being, as well as to stimulated levels of empowerment within the workplace. According to Wood and Bandura (1989) literature has shown that there is an assumption that the beliefs that individuals have concerning their capacity to be successful in their job role is significant to the results they will achieve throughout their performance endeavours. These authors further claim that this belief that individuals have within themselves will lay the foundation for their motivation, well-being and personal accomplishment to arise in all

areas of their life, which will ultimately influence their feelings of psychological empowerment. These claims suggest that individuals are aware of the specific behaviours that are needed to produce particular outcomes, however they may have some variation in their beliefs about the degree to which they can be successful, which accounts for the differences demonstrated in their performance on the task at hand (Wood & Bandura, 1989). Additionally, self-efficacy reflects both an ability component and a motivational component, in order to manifest an experience of psychological empowerment through this cognition (Spreitzer, 1995). The ability component refers to the evaluation of one's competency to deal with certain situations and the motivational component refers to the willingness to expend the necessary effort consistent with one's competencies (Jawahar et al., 2008). The logic behind expecting self-efficacy to be related to psychological empowerment through one's demonstrated performance, is that individuals who perceive themselves as efficacious incite the necessary effort to produce successful outcomes (Bandura, 1986). Gundlach, Martinko and Douglas (2003) claim that higher levels of EQ could also enhance an individuals' awareness of how different emotional reactions can result from underlying attributions of work-related outcomes. Consequently, this author states that EQ can assist individuals in generating the attributions that are less harmful to their self-efficacy beliefs by regulating their emotions that these attributions might produce. These emotions can strongly influence one's thought processes, by opting for certain information processing strategies, which can alter an individual's experience of psychological empowerment in the workplace (Gundlach et al., 2003). Based on this, the researcher sets the following hypothesis.

H8: Competence is positively correlated to Managing One's Own Emotions.

Hobfoll (1989) posits that individuals tend to invest their personal resources, such as feelings of self-efficacy and EQ, in order to deal with and protect themselves from stress and challenges, or from emotionally straining situations in the workplace.

2.6.3 Self-determination

An employee's job-related freedom is becoming increasingly important due to several organisational factors that affect an employee's creative performance in the workplace

today (Armstrong & Brown, 2009). Individuals that are granted greater work-related freedom are able to enhance their creative performance as well as pace their work-related activities. According to Deci et al. (1989) self-determination refers to having a sense of choice when deciding one's actions at work. These authors further state that the work environment strongly influences an employees' task performance as their affective and perceptual aspects are controlled by the conditions at work.

Work that provides greater flexibility and choice is considered to be intrinsically rewarding when an individual is provided with the autonomy to organise job related tasks and assume a sense of self-direction (Jenkins, 2014). Feelings of autonomy brought about in the workplace are greatly aligned to a degree of self-control in setting one's own goals and the achievement thereof (Armstrong & Brown, 2009). Goals that are selected through self-determination are autonomous and well-internalised, as they are set by being true to oneself (Ryan, Huta & Deci, 2008). Employees who experience work as being autonomous, will act in accordance to their own personal set of guidelines whilst not completely negating the reliance on others (Deci & Ryan, 2008).

Chung (1977) discussed that autonomy is an individuals' ability to determine their work technique, control their work schedule and select their own job tasks. According to Zhou (1998), if an organisation provides their employees with high task autonomy, it will increase the flow of new and innovative ideas through their performance. The increased level of motivation demonstrated by employees as a result of having autonomy, seemingly leave these employees feeling empowered and exhilarated to actively partake in decision-making, which may further result in feelings of achievement and a perceived sense of control surrounding their job (Bruce, 2011).

2.6.4 Impact

According to Firmansyah, Christiananta and Ellitan (2014) a successful organisation needs employees who will perform beyond their contractual obligation and demonstrate performance that exceeds expectation.

A major belief attested through the theory of psychological empowerment is that empowered individuals should perform better than those who are less empowered (Thomas

& Velthouse, 1990). According to these authors impact is the degree to which one's performance efforts are seen as making a difference by satisfying the purpose of a task within the work environment. Spreitzer (1995) defines impact as the degree to which individuals feel they have an influence over the actualisation of strategic outcomes in the workplace. Therefore, Thomas and Velthouse (1990) further state that individuals who perceive their job as meaningful and are able to carry out their job responsibilities through to completion, will impact others within as well as outside the organisation. According to Rosenthal et al. (1979) individuals who are sensitive to the emotions of others' in the workplace may be more successful in their work as well as in their social lives. Thus, it is proposed that:

H9: Impact is positively correlated to Managing the Emotions of Others'.

An organisation that provides work that is varied, as well as non-routine tasks which involve higher levels of interpersonal interactions and enhanced freedom of choice will influence an individual's perceived level of impact in the workplace (French, 2010). Additionally, this author states that mundane, monotonous work tasks may stunt the progression of an employee toward self-fulfillment and growth and therefore suggests that by including an element of variety in the job scope, organisations' can simulate the excitement and engagement of employees and influence the degree to which they feel they are making a difference in the system in which they are embedded.

Jobs that require a variety of skill are positively attributed to an individual's assessment of impact, as completing an entire task through the use of many skills, invests a sense of entitlement in its outcomes (Liden & Wayne, 2000). Thomas (2009) mentions that job tasks that are discontinuous and transitory in nature are characterised by a lack of dimension and allows for minimal creativity and limits employees from using their competencies. As a result, this author states that frustration arises due to an employees' abilities and efforts that are overlooked and disregarded and may leave them feeling insignificant at work.

The researcher will now discuss the relevance of Psychological Empowerment in terms of how it applies to the investment banking industry.

2.6.5 Psychological Empowerment within investment banking

In South Africa many organisations' are put under an immense amount of pressure to bring about significant changes to cope more effectively with the economic challenges in the country (Stander & Rothman, 2008). These authors further state that there is thus a growing need amongst employees to develop their competencies, resources and strategies to respond proactively to the economic challenges faced in the financial services sector. Therefore, it has become evident that employees are in need of an empowered approach (Stander & Rothman, 2008). Empowered employees will contribute to organisations' through increased levels of productivity and the ability to readily adapt to change (Greasley et al., 2008).

Investment banking in particular is a complex industry primarily based on risk-taking and risk-transferring services (Radić, Fiordelisi & Girardone, 2011). According to Luthans (2005), jobs that are more demanding require employees to process information more effectively, adapt to change and devise innovative solutions to unforeseeable problems in the work environment. Investment banking is concerned with providing financial services and advice to both corporate and institutional organisations, as well as to wealthy and high net worth individuals (Radić et al., 2011). The clients of an investment bank seek creative solutions, in the form of innovative and useful ideas that can solve the problems important to them (Lyons et al., 2007). It is of the researcher's opinion that investment banking professionals need to have high levels of psychological empowerment as this illustrates that they believe in themselves and that they are capable of satisfying their clients' needs and in doing so are motivated to go the extra mile in order to be successful in what they do. This is further supported by Quinn and Spreitzer (1997) who state that empowered employees see themselves as being more effective in the work that they are able to produce. The researcher of this study therefore hypothesises the following.

H10: Respondents within investment banking experience high levels of Psychological Empowerment.

Since the investment banking industry is attributed to intensive interpersonal contact between employees and clients, empowerment is thereby related to increasing service

quality and client satisfaction (Berman, 1995). Empowered employees engage in upward influence and are entrusted with a significant level of job responsibility and authority over their jobs and see themselves as innovative and efficacious in the work that they produce (Quinn & Spreitzer, 1997).

The researcher will now go on to discuss the construct of Emotional Intelligence (EQ).

2.7 Emotional Intelligence

EQ consists of a set of interrelated competencies to perceive, understand and regulate emotions and involves the ability to control and utilise these feelings effectively (Schutte, et al., 2007). According to Mayer and Salovey (1993) EQ encompasses the ability to appraise and regulate emotions of one's self and others' and to successfully utilise one's emotions in solving problems. In essence, EQ refers to utilising the experience of emotions correctly and intelligently (Weisinger, 1998).

According to Weisinger (1998), EQ is viewed as a positive attribute that can result in a variety of positive outcomes. An emotionally intelligent individual is successful in adjusting to certain situations that elicit emotion, either through successfully regulating the emotion itself, or through effectively applying one's coping and interpersonal skills (Weisinger, 1998). This author further states that an emotionally intelligent individual may be more receptive to both the positive and negative aspects of an emotive experience and as a result may be more equipped to effectively communicate them. The way in which individuals manage their emotions will give them greater insight into themselves, which confers a sense of confidence and control over impending affective events (Lane & Schwartz, 1987). In addition, these experienced emotions can strongly affect one's thought processes by opting for certain information processing strategies (Lyons & Schneider, 2005). These authors further state that positive emotions tend to encourage heuristic processing which may be beneficial for creative and short-term memory tasks, whereas negative emotions, such as frustration, tend to encompass deeper processing, which is aligned to more specialised tasks. According to Davidson, Jackson and Kalin (2000) there are important considerations of how individuals can strengthen their EQ level through a range of competencies that are derived from neurological mechanisms. The distinction

between EQ based competencies and cognitive abilities, such as IQ, can be more clearly understood through examining the neural substrates that bridge the gap between the brain's functioning and the individual behaviours that are attributed to EQ (Davidson et al., 2000).

A conventional view in neuroscience denotes that an individual will respond to either visual or auditory stimuli which will then be transmitted to the Thalamus of the brain, which will decode that signal into the language the brain can understand (Goleman, 1995). Intellectual abilities are largely based in specific areas of the Neocortex, whereas EQ encompasses behavioural indicators centering on the Amygdala of the brain, which is the emotional center, whereby certain signals that require an emotional response, will bypass the Neocortex and be assessed for meaning (Goleman, 1995). Goleman recognises that how individuals' process information in the Amygdala to illicit a certain response will act as a determinant of their EQ level. Figure 2.3 below depicts Goleman's (1995) explanation of how EQ is developed within the human brain.

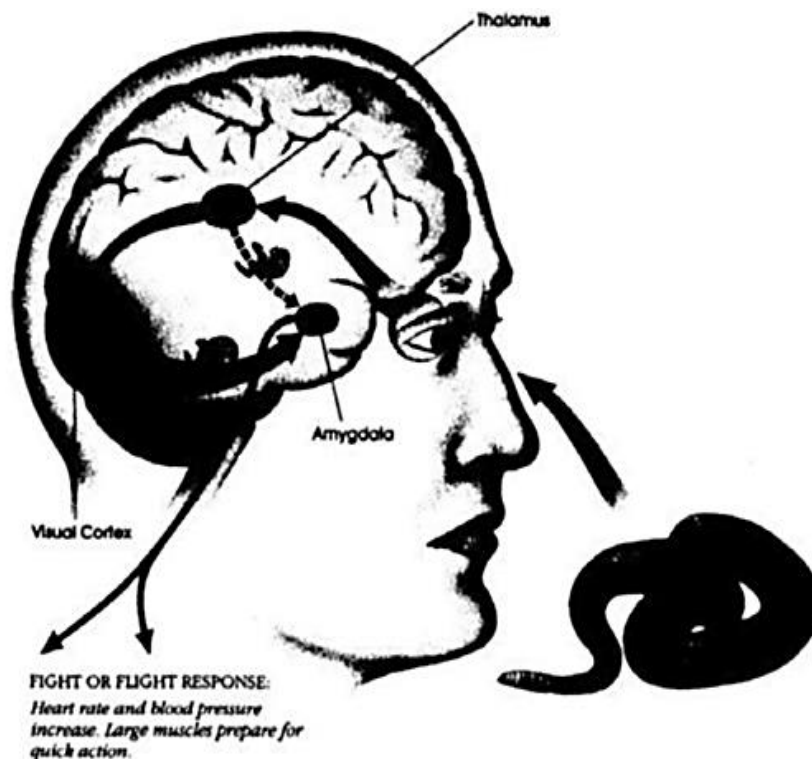


Figure 2.3: Explanation of how EQ is developed within the human brain (Goleman, 1995, p.17)

The emotion center of the human brain directs one's attention to the stimuli that is in need of processing (Salovey, 1990). Thus, both moods and emotions tend to arise when there is a mismatched alignment between personal expectations and environmental realities, whereby one's mood directs attention toward the self, in order to clarify the experience and enable an adaptive response to it (Salovey & Rodin, 1985). According to Mayer and Salovey (1990) both positive and negative mood states are accompanied by a shift of attention inward in order to encourage the behavioural activities that sustain pleasant or relieve unpleasant states (Mayer & Salovey, 1990). According to Goleman (1995) the way in which individuals handle the emotions they experience in terms of their adaptive response to certain stimuli and its suitability concerning the situation, will ultimately determine whether they have a high or low EQ level. Each emotion experienced in the Amygdala of the brain transmits a unique set of signals referring to emotional information (Buck, 1984).

According to Mayer and Salovey (1990) there are a set of mental processes involving emotional information in the brain that include both the verbal and non-verbal appraisal and expression of emotion, the regulation of emotion in the self and of others, as well as the utilisation of the emotional information during problem-solving. Mayer and Salovey (1997) conceptualise the emotional information attributed to EQ in terms of its potential for both intellectual and emotional growth. These authors state that the appraisal and expression of emotion form part of more basic processes, whilst the regulation of emotion requires the most complex form of processing. The first category of EQ refers to the perception, appraisal and expression of emotion in the self and of others and refers to the ability to generate, use and feel the emotions which are necessary to communicate feelings or to use them in other cognitive processing (Mayer, Caruso & Salovey, 1999). The second category of EQ, emotional regulation, is the ability to remain open to one's feelings and to monitor one's own and other's emotions in order to promote understanding and personal growth (Mayer et al., 1999). The third and final category, utilisation of emotion, includes aspects such as flexibility in planning, creative thinking, redirected attention and motivation (Mayer et al., 1999). According to these authors, EQ represents an intelligence system that is focused on the processing of emotional information and forms part of other well-established intelligences. Carmeli (2003) examined the extent to which senior

managers with a high EQ develop positive work attitudes, behaviour and outcomes in the workplace. This author found that emotionally intelligent employees, particularly senior managers, tend to develop a greater emotional attachment to the organisation, express themselves more clearly and remain committed to their career. Based on this, the researcher hypothesises the following.

H11: The EQ level of an individual varies according to job level.

As previously mentioned in Chapter One, Mayer and Salovey's (1990) four-branch model of EQ has been selected for the purpose of this study, which ranges from the perception of emotion, to the management of one's own and other's emotions, to the utilisation of emotion. Within each branch of EQ there is a progression and sophistication of skills (Mayer et al, 2004). Each of these branches will now be discussed.

2.7.1 Perception of Emotion

The first branch of EQ is considered to be a discreet area of information processing and is expected to be bound within an individual's emotion system (Mayer et al., 2004). These authors state that perception of emotion involves the ability to recognise emotion in others facial and postural expressions. The context in which this occurs refers not only to the external surroundings in which facial morphing takes place but also to the parallel brain processes that either constrain or shape how information from a face is processed and conveyed (Fugate, 2013).

Therefore, perception of emotion involves the non-verbal perception and expression of emotion in the face, voice and other discreet communication channels, such as body language (Buck, 1984 as cited in Mayer et al., 2004). According to Barrett (2006) the identification of emotion in others allows for empathetic connections to occur that links an individuals' perceived emotion to their knowledge repertoire. This skill is essential for having effective social interactions in the workplace and people lacking this skill often have a very poor EQ level (Barrett, Lindquist & Gendron, 2007). According to Niedenthal et al. (2005) perception of emotion is made up of sensory systems that trigger a perception of a particular situation, as well as the motor systems that stimulate action and the introspective systems that underlie the conscious experience of emotion, motivation and

cognitive processes. Gohm and Clore (2002) claim that individuals who have the ability to understand the origins of their emotions during stressful situations, tend to spend less time focusing on their emotional reaction. These authors state that these individuals use fewer cognitive resources to appraise alternative courses of action, and keep their thoughts focused on the tasks at hand thus making use of more adaptive coping strategies. Shulman and Hemenover (2006) found that individuals with a high capacity for differentiating emotional experiences, were more likely to effectively regulate their emotions in the work environment. It is of the researcher's opinion that individuals' who understand the root of their emotions, will be better able to understand its affect and thereby will ultimately handle feedback more constructively in terms of improving their performance. Therefore, the researcher sets the following hypothesis.

H12: Respondents who can effectively Perceive their Own Emotions prefer Performance and Career Management as a reward.

Shulman and Hemenover (2006) as cited in Shelton (2016) conducted a study on a sample size of 263 individuals obtained from a university in Midwestern United States on the relationship between personality, wellbeing and EQ and the results revealed relationships between Perception of Emotion and factors of personal growth. This factor of personal growth relates to the Psychological Empowerment sub-factor of Competence. Therefore, the researcher hypothesises the following.

H13: Competence is positively correlated to Perception of Emotion.

2.7.2 Managing Own Emotions

The Management of Own Emotions, the second branch of the model, is conceptualised as the behavioural element of emotion (Law & Wong, 2004). Emotion management is integrated within an individuals' overall plans and goals and is therefore outwardly bound (Mayer et al., 2004).

According to Averill and Nunley (1992) emotions are managed in terms of an individual's personal goals, self-knowledge and social awareness. Emotional self-management includes the abilities to avoid any unpleasant feelings or to reframe the appraisal of events to

reassure oneself and to reach a sense of calmness and composure thereafter (Silvia, 2002). The ability to manage emotions involves an understanding of one's emotions as well as devising certain techniques of relating to these emotions (Bridges, Denham & Ganiban, 2004). These authors further state that the regulation of emotion further involves the physiological, behavioural and cognitive processes that allow an individual to modify the experience and expression of both positive and negative emotional outcomes. Individuals who have learned to manage their emotions, usually during adolescence, are able to regulate their emotions to inhibit inappropriate behaviour, compose themselves when feeling highly reactive, better utilise emotions to focus attention, organise thoughts and feelings to pursue goals and strive to be in sync with the cultural rules of displaying emotions (Hyson, 1994). Emotion self-management comprises two elements, namely emotion expression and emotion regulation (Desivilya & Yagil, 2005). These authors state that individuals who manage their emotions effectively know how and when to express their emotional reactions and are able to effectively regulate their mood states. Mayer and Salovey (1997) define emotional expression as the capacity to express one's emotions accurately to others. Emotion regulation, on the other hand, refers to an individuals' ability to keep negative emotions, such as anger, and other intrusive emotions associated with conflict under control as well as to inhibit emotional impulsivity (Goleman, Boyatzis & McKee, 2002). It also reflects an individual's ability to either connect or disconnect from a certain emotion depending on its usefulness in a particular situation (Mayer & Salovey, 1997). According to Martin, Knopoff and Beckman (1998) emotional regulation is considered vital to maintaining social relationships. Emotional self-management therefore encompasses the EQ competencies of motivation, optimism and emotional control (Mayer & Salovey, 1997).

Usually those who have a high EQ bear superior skills in both the monitoring and understanding of their affective state, as well as exerting control over their emotions which are calibrated to their current needs (Mayer & Salovey, 1997).

2.7.3 Managing Others' Emotions

According to Goleman (2004), individuals' who are considered to be the most successful in life are those who can develop and maintain strong relationships and work well with

others. Blumer (1969) states that the ability to understand someone else's perspective and take someone else's thoughts or feelings from their point of view into account is essential to facilitating open interpersonal interactions. Hochschild (1993) suggests that managing the emotions of others, the third branch of EQ, includes ensuring that others feel good about themselves, understanding their hardships and struggles, as well as ensuring that everyone is satisfied about the outcome of a certain decision before it is taken.

Mayer and Salovey (1990) state that empathy is a central characteristic of emotionally intelligent behaviour as it is vital in understanding others and managing their emotions appropriately. According to these authors empathy involves being sensitive to what, how and why people feel the way that they do. Empathy offers an astute awareness of the emotions, concerns and needs of others and the empathic individual can detect and interpret non-verbal cues (Goleman, 1998). This author believes that self-awareness is paramount to understanding others and displaying empathy. Goleman (1998) further states that the competencies found to be attributed to self-awareness enable individuals to identify their own feelings and thoughts, as well as their personal strengths and weaknesses. In addition, Guillen and Florent-Treacy (2011) support the notion that self-awareness forms part of the bases of emotional and psychological growth, which is essential in fostering an environment that is conducive to establishing trust in work collaborations.

2.7.4 Utilisation of Emotion

The fourth branch of EQ, which pertains to the emotional facilitation of thought, includes the ability to use emotions in order to redirect attention to significant events, to generate emotions that facilitate decision-making, to use one's mood fluctuations as an opportunity to consider numerous points of view, and to harness varying emotions to encourage different approaches to problem solving (Caruso et al., 2002). The utilisation of emotion further involves the capacity of emotion to assist one's thinking (Mayer et al., 2004).

According to Izard et al. (2001) knowledge of the link between the experience of emotions and one's thoughts can ultimately be used to direct one's planning. Goleman (1998) states that an employees' moods, emotions and overall demeanor has a strong impact on job performance, decision-making, creativity, teamwork, collaborative negotiations, as well as

on leadership. This author further mentions that individuals bring their full self to work, in terms of their personality traits, moods and emotions and their affective experiences that have an influence on others. The facilitation of emotion involves the degree to which individuals can successfully express their feelings, thereby allowing them to be used as an essential part of daily behavioural actions, as well as during social interaction (Q-Metrics, 1997).

However, while individuals can make use of their emotions positively, the same can be said for negative emotions that are left unmanaged in the work environment, which can cause employees to mirror the movements, postures and facial expressions shown in others (Q-Metrics, 1997). According to this author this synchronisation happens automatically, whereby individuals unconsciously pass on negative emotions which can break down their self-esteem and productivity levels. Individuals who score high on EQ are aware of their strengths and limitations, seek out the necessary feedback and know which areas need improving, as well as how to work with others who have corresponding strengths (Mayer et al., 2004). According to Schutte et al. (2007) individuals bearing a higher EQ are better able to utilise their emotions in terms of psychosocial functioning. This author further states that the aspects of these psychosocial factors include enhanced social support and improved interpersonal relationships at the workplace. Based on the above, the researcher hypothesises the following.

H14: Impact is positively correlated to Utilisation of Emotion.

The researcher will now focus on discussing the importance of employees bearing a high EQ within the investment banking industry.

2.7.5 EQ within investment banking

EQ has been identified as one of the most important behavioural constructs contributing to optimising performance (Goleman, 1995). According to Goleman (1998), EQ accounts for up to ninety percent of outstanding performance within top management, which results in twenty percent more earnings for an organisation. Sashikala and Chitramani (2017) state that investment banking is seen as a demanding career that is best suited for aggressive, high-energy professionals, as well as being more ‘cut-throat’ in nature. Cobb et al. (1975)

are of the opinion that the level of responsibility given to these employees within the financial industry creates severe stress and pressure to perform. Therefore, EQ plays an important role in assisting employees to better cope with the stress attributed to the industry (Silvia, 2002). EQ serves as an emotional shield during stressful situations, as emotionally intelligent employees are better able to control their own behaviours, as well as increase their level of job-life quality, motivation and level of job satisfaction experienced in the workplace (Siddiqui & Hassan, 2013). Mortiboys (2012) believes that the learning of emotions and EQ are considered as an essential part of interpersonal interaction. Sashikala and Chitramani (2017) state that within the field of investment banking, client and peer interaction is paramount to success. Briner (1999) states that with an increase in those working in the financial services sector, employees are required to be more emotionally engaged with their clients and this results in widespread interest being given to EQ and emotions in the workplace. Arıcıoğlu (2002) is of the belief that EQ holds a very important role in the workplace in satisfying client expectations and in gaining emotional buy-in from peers. One of the most critical skills needed for relationship managers is interpersonal communication, social skills and the ability to manage conflict within the relationship (Weitz & Bradford, 1999). It is for this reason that the researcher hypothesises the following.

H15: Respondents within Investment Banking have high levels of EQ.

It is important to note that clients making investment decisions do not always behave rationally and therefore identifying how they might behave is a challenge placed on investment banking professionals (Sashikala & Chitramani, 2017). These authors state that investment banking professionals have to promptly identify their behaviour in order to know the consequences of their clients' investment decisions. It is therefore also important for investment banks to analyse the investor's behaviour, in order to guide them in making the best possible investment decisions (Sashikala & Chitramani, 2017). Additionally, EQ improves the quality of decisions as well as the ability to more readily adapt in certain situations by allowing a harmonisation of varying cognitive processes (Damasio, 1994). EQ has also been shown to enhance the communication and interpersonal skills needed to improve relationships and dealings with key clients (Deeter-Schmelz & Sojka, 2003).

The investment banking industry should continuously strive to be goal-oriented, emotionally resilient and task driven and value the individuals who demonstrate emotional intelligence, integrity and self-belief in the workplace. In doing so, this will cultivate a healthy emotional climate which will ultimately foster a more robust and sustainable financial industry (JCA Global, 2014).

2.8 Reward Preferences and Psychological Empowerment

Spreitzer (1995) states that having access to rewards, encourages an individual to take a more active role in the workplace in order to attain the rewards which they desire. The purpose of a total rewards framework allows an individual to choose from a well-diversified reward offering that incorporates the rewards that are perceived as personally meaningful to employees across different job levels (Shelton, 2016).

Rousseau (2004) notes that the employment relationship is transactional and characterised by short-term monetisable exchanges in which individuals act in accordance to maximise the value of that exchange within an organisation. Therefore, financial rewards are commonly associated to wealth and admiration, and therefore acquiring money plays an important role in the workplace (Johnson & Droege, 2004). These authors further state that compensation is influential in fulfilling an employees' non-monetary needs such as that of authority, rank and having a sense of belonging within an organisation. Employees have the tendency to view financial rewards as an indicator of their value and status held in an organisation (Chiu, Luk & Tang, 2002). These authors further state that financial rewards can be seen as a way to empower employees in the workplace through the attainment of authority and higher status within an organisation. Financial Rewards will be calculated by grouping responses for Compensation and Benefits together, thus it is hypothesised that:

H16: Respondents exhibiting high levels of Psychological Empowerment prefer Financial Rewards.

Additionally, a study done by House (1988) found that learning interventions and development programmes lead to aspects such as improved self-control, feelings of self-fulfilment and increased self-responsibilities and competencies. Bose (2018) further adds that career development may impact employee empowerment which will have an influence

on performance through some form of behavioural consequence as a result, such as improved group synergy, as well as an improved sense of meaningfulness. Therefore, psychologically empowered individuals tend to seek rewards that lead to enhanced job performance, as they are more psychologically equipped, energised and autonomous in taking the necessary steps needed in improving their work (Seibert, Silver & Randolph, 2004). Based on the above the researcher of this study is able to set the following hypothesis.

H17: Respondents exhibiting high levels of Psychological Empowerment prefer Performance and Career Management as a reward.

Furthermore, an employee that believes they are supported by an organisation, will exhibit extra role behaviour in going the extra mile to assist the organisation in reaching its objectives (Eisenberger et al., 2001). It is evident that a work environment that fosters a relationship based on such support can empower an employee in the workplace (Corsun & Enz, 1999). Therefore, the researcher sets the following hypothesis.

H18: Respondents with high levels of Psychological Empowerment prefer Quality Work Environment as a reward.

Gkorezis and Petridou (2008) as cited in Shelton (2016) propose that employees will become increasingly psychologically empowered by appropriately rewarding them and this may in turn result in these employees becoming more competent, indicating greater self-determination and making a bigger impact within their respective organisation in terms of their service and the work they produce.

2.9 Reward Preferences and EQ

Ashforth and Humphrey (1995) state that the workplace is generally comprised of a diverse workforce which is attributed to an environment that is exposed to many emotions. According to Barrett et al. (2007) emotionally intelligent individuals have the capacity to encode emotive stimuli, as well as analyse and understand its significance, and act effectively within emotional encounters in terms of their response selection.

Shanks (2007) states that while rewards may serve as incentives that organisations' offer as motivators to enhance employee performance, it cannot be negated that the real motivation to act comes from within the individual and those motives to induce such performance, stem from a level of awareness found within an individual that certain needs need to be met. Goleman (1998) further points to the pivotal role that EQ plays in demonstrating performance excellence on the job and those with the highest EQ measure are likely to rise to the top in an organisation, advance swiftly in their careers and become leaders in the workplace. Based on the above, the researcher hypothesises the following.

H19: Respondents with a high EQ level prefer Performance and Career Management as a reward.

According to Hendrawijaya et al (2018) emotionally intelligent individuals are able to identify what they feel and generate other mood states to help them achieve their goals and ultimately know how to motivate themselves. These authors further state that a high level of EQ improves one's capability to process information, diagnose the situation and evaluate alternative options. In addition, emotional self-awareness and understanding are the triggering factors of emotions allowing top managers, as well as employees in the workplace, to select more appropriate actions when considering the value and suitability of certain company policies whose compensation plans directly influence them and the organisation at large (Hendrawijaya et al., 2018).

In contrast, these authors state that having poor emotional intelligence can stunt an individuals' career growth within an organisation as well as indirectly impact upon the functioning of various business units. It has been made apparent that individuals require a certain level of emotional proficiency to effectively perform key roles within an organisation and thus seek rewards that are aligned to their perceived worth. Based on this, it is hypothesised that:

H20: Respondents with a high EQ prefer Financial Rewards.

Therefore, according to these authors, the way in which a company chooses to differentiate their total reward package for employees to identify with, will determine the kind of atmosphere and culture that is needed to excel.

2.10 **Psychological Empowerment and EQ**

Organisations' need to acquire the knowledge, ideas, energy and creativity of every employee in order to be a strategic player in the global business environment (O'Toole & Lawler, 2006).

These authors further state that organisations accomplish this by empowering their employees to act like the owners of the company and take initiative to serve the collective interests of the organisation without being micro-managed. If an organisation wishes to reap the benefits of empowerment, it needs to provide an environment which will help manifest all of the components attributed to empowerment (Siegal & Gardner, 2000). The researcher of this study is of the opinion that being able to regulate your own mood state, as well as your reaction to certain situations, will result in feelings of perceived control and subsequent empowerment in the workplace. Thus, the following hypothesis is set.

H21: The experience of Psychological Empowerment is positively correlated to Managing Own Emotions.

Spreitzer and Quinn (1997) state that empowerment is a mindset, as well as an active orientation that an employee has about their work role in an organisation. According to Mishra and Spreitzer (1998), employees tend to avoid situations they believe exceed their skills set however, when they see themselves as capable of handling situations that would otherwise be found to be intimidating, they tend to get more involved and defer a level of confidence in their behaviour. Individuals who are aware, understand and regulate their feelings might cope better with emotional issues, thereby engaging in more positive reevaluations of certain situations faced (Gohm & Clore, 2002). EQ helps one understand and manage emotions as they are experienced, therefore, assisting employees to take control over their work (Lee & Ok, 2012). Despite there being no link in literature to date that relates Psychological Empowerment to EQ, based on the above the researcher sets the following hypothesis.

H22: The experience of Psychological Empowerment is influenced by a respondent's EQ level.

Thus, empowered individuals are seemingly more engaged and express themselves better on a physical, emotional and cognitive level through their performance (May, Gilson & Harter, 2004). Usually those who have a high EQ bear superior skills in both the monitoring and understanding of their affective state, as well as exerting control over their emotions which are calibrated to their current needs (Mayer & Salovey, 1997).

2.11 Proposed Theoretical Model

The theoretical model is demonstrated in Figure 2.4 below and will be tested in the empirical section of this study. It displays the proposed relationships between Reward Preferences, Psychological Empowerment and EQ and stems from the theory presented in the literature review.

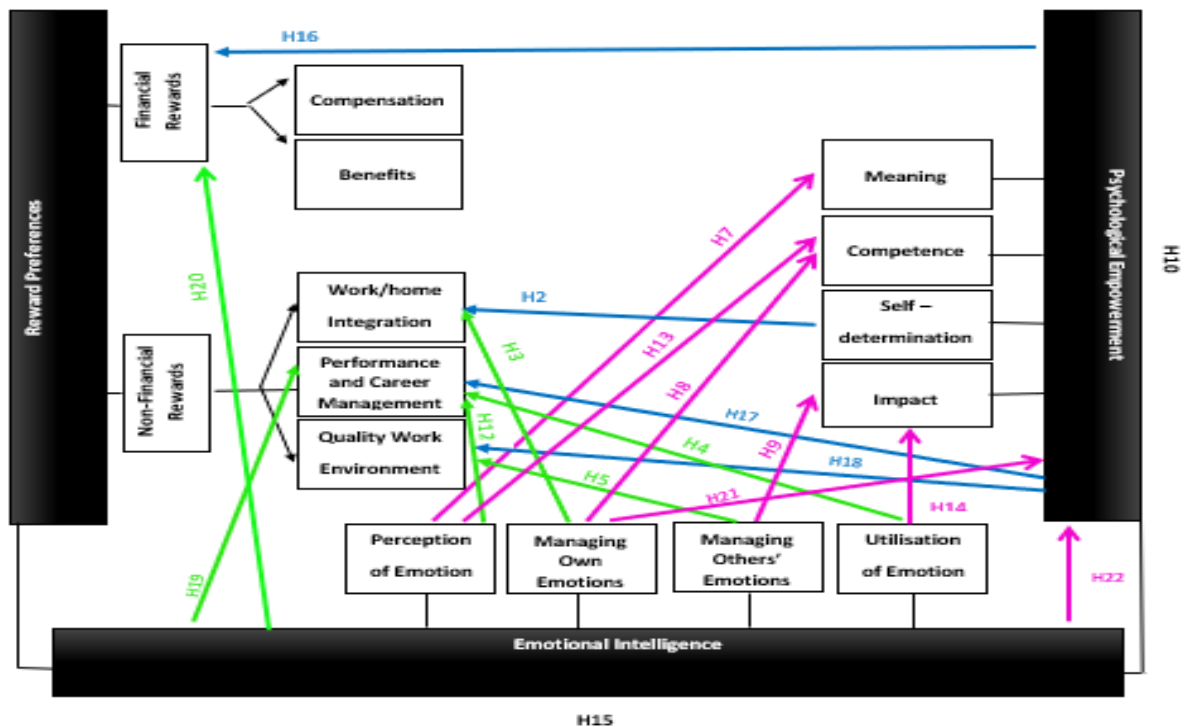


Figure 2.4: Proposed Theoretical Model

As graphically illustrated above in figure 2.4, EQ forms the basis of influencing one's reward choice, as well as predicting one's level of Psychological Empowerment.

Additionally, as is evident in the model, EQ acts as a predictor for the constructs of Reward Preferences and Psychological Empowerment within the work environment.

2.12 Conclusion

The literature examined the three major constructs under investigation, their various sub-components, the benefits of each, as well as how each construct relates to the investment banking industry. The first construct that was explained was Reward Preferences and its sub-components of Compensation, Benefits, Work-life Integration, Performance and Career Management and a Quality Work Environment. The second construct was that of Psychological Empowerment and its sub-components of Meaning, Competence, Self-determination and Impact. The last construct examined was EQ and its four branches pertaining to Perception of Emotion, Managing Own Emotions, Managing Others' Emotions and the Utilisation of Emotion. The relationships between these three constructs have been identified and presented in the set hypotheses summarised below:

H1: Reward Preferences vary according to job level.

H2: Respondents who exhibit high levels of Self-determination prefer Work/home Integration as a reward.

H3: Respondents who are able to Manage their Own Emotions prefer Work/home Integration as a reward.

H4: Respondents who are able to Utilise their Emotions effectively prefer Performance and Career Management as a reward.

H5: Respondents who can effectively Manage the Emotions of Others' prefer Quality Work Environment as a reward.

H6: Psychological Empowerment varies according to job level.

H7: Meaning is positively correlated to Perception of Emotion.

H8: Competence is positively correlated to Managing One's Own Emotions.

H9: Impact is positively correlated to Managing the Emotions of Others'.

H10: Respondents within investment banking experience high levels of Psychological Empowerment.

H11: The EQ level of an individual varies according to job level.

H12: Respondents who can effectively Perceive their Own Emotions prefer Performance and Career Management as a reward.

H13: Competence is positively correlated to Perception of Emotion.

H14: Impact is positively correlated to Utilisation of Emotion.

H15: Respondents within Investment Banking have high levels of EQ.

H16: Respondents exhibiting high levels of Psychological Empowerment prefer Financial Rewards.

H17: Respondents exhibiting high levels of Psychological Empowerment prefer Performance and Career Management as a reward.

H18: Respondents with high levels of Psychological Empowerment prefer Quality Work Environment as a reward.

H19: Respondents with a high EQ level prefer Performance and Career Management as a reward.

H20: Respondents with a high EQ prefer Financial Rewards.

H21: The experience of Psychological Empowerment is positively correlated to Managing Own Emotions.

H22: The experience of Psychological Empowerment is influenced by a respondent's EQ level.

This chapter demonstrates how all of the constructs are interrelated and how they form part of the essential considerations for those working within the investment banking industry. It is important that investment banking professionals bear a high EQ, as this is indicative of a high level of self-awareness, which enables them to identify the rewards that are personally fulfilling and necessary in satisfying their needs in the work environment. In doing so, they indirectly contribute to their overall experience of Psychological Empowerment, which will invariably enhance their overall well-being and further lead to numerous other positive organisational-related outcomes. The proceeding chapter will highlight and discuss the methodology followed for the empirical section of this study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The primary aim of this study was to examine whether a relationship exists between Reward Preferences, Psychological Empowerment and EQ within the investment banking industry in South Africa.

Additionally, this study further aimed to examine whether any differences exist according to job level, as a demographic variable. In this chapter the research design is presented, with specific reference to the research type, the sample, the measuring instruments, validity and reliability of the instruments, as well as the ethical considerations of the study.

3.2 Research type

The primary research type of this study that was used is that of a correlational research design.

According to Simon (2011), a correlational research design is a specific type of non-experimental design used to describe the relationship between or among variables. The researcher will conduct a correlation study to determine the extent to which the variables are related. The evidence found will add toward a deeper understanding of the constructs under scrutiny and their proposed relationship. Additionally, the study was comprised of both a qualitative literature study, as well as an empirical study.

A qualitative literature study was conducted prior to addressing the set empirical objectives of this dissertation. Primary literature sources formed the theoretical foundation for the research as presented in Chapter One and Two. According to Malhotra (2010), qualitative research is more unstructured and exploratory in nature and provides greater insight into understanding the underlying problems that are attributed to the core constructs being studied.

The empirical study was quantitative in nature in order to determine whether statistically significant relationships would arise between the three constructs under scrutiny.

Quantitative research can be seen as the necessary research methodology that quantifies the resultant data that is obtained from the study and thereafter applies the relevant statistical analysis that is needed for interpretation (Malhotra, 2010).

3.3 The sample

The sample for this research study was derived from employees of different job levels, namely those of a specialist/professional level, as well as those from general, junior and senior level management, from the investment banking industry in South Africa.

The researcher made use of purposive non-probability sampling. Doherty (1994) states that non-probability sampling is a sampling technique, in which researchers use judgement to identify the units of the sample, therefore it is a process that does not give all the individuals in the population an equal chance of being selected. Teddlie and Yu (2007) describe purposive sampling techniques as being primarily used in qualitative studies and may be defined as selecting units that are associated as being a representative sample of the relevant population from which it is drawn.

The researcher also made use of snowball sampling as a non-probability sampling technique in order to identify a wider audience of the sample type. According to Biernacki and Waldorf (1981) snowball sampling is a method which yields a sample through referrals made among people who share or know of others who possess the characteristics that are of research interest.

The research samples were drawn from the investment banking industry across the country of South Africa. Additionally, the researcher obtained a sample size of approximately 221 respondents.

3.4 Measuring instruments

The research instruments that were administered to the sample of respondents were the Reward Preferences Questionnaire (RPQ), the Psychological Empowerment Questionnaire (PEQ) and Schutte's Self-Report Emotional Intelligence Test (SSEIT), as can be seen in Annexure A.

3.4.1 Reward Preferences Questionnaire (RPQ)

Nienaber et al.'s (2011) RPQ has its origins in the total rewards framework that was developed by WorlDatWork (2006) and was tested on two pilot groups, which included employees' from People Practices Division, Group Human Resources Nedbank Ltd, STATKON and Jopie Van Rooyen and Associates, before ultimately being finalised. The RPQ consists of six sub-factors, namely Base Pay, Contingency Pay, Benefits, Performance and Career Management, Quality Work Environment and Work/home integration.

The RPQ originally comprised of both nominal and ordinal scales in section A, a 7-point scale in section B and a forced ranking scale in section C, whereby respondents are forced to rank their Reward Preferences in order of importance. For the purpose of this dissertation, the modified instrument that was utilised by Snelgar, Renard and Venter (2013) was implemented. This modified instrument makes use of a 5-point Likert scale, as opposed to the former 7-point Likert scale. The RPQ is made up of Sections A, B, C and D. The researcher made use of the instrument's demographics section, in section A. In section B of the questionnaire, there are two sections, namely, Reward Preferences and Reward Satisfaction. The Reward Preferences section was used in this study and contains a 5-point Likert scale that ranges from 1, not being important, through to 5, being extremely important. The Rewards Satisfaction section that is also found in section B was removed, and the instrument was modified accordingly for this study.

Furthermore, section C of the RPQ was not used, as it is not relevant to the scope of the topic under scrutiny. Section D, which included open-ended questions, was also not used. Shelton and Renard (2015) have reported on Cronbach's alpha values for the RPQ, showing a strong reliability score of 0.89 for the reward preferences section which was used in this study.

3.4.2 The Psychological Empowerment Questionnaire (PEQ)

The 12-item PEQ was developed by Spreitzer (1995) and was used to measure the four sub factors of psychological empowerment, which pertain to Meaning, Competence, Self-

determination and Impact. Additionally, the PEQ contains three items that measure each of the four sub-factors respectively.

Spreitzer (1995) developed the sub-factors of the PEQ by adapting the items from earlier studies, whereby the Meaning items of the PEQ were derived from the work of Tymon (1988), the Competence items from Jones's (1986) self-efficacy scale, Impact from Ashforth's (1989) helplessness scale and Self-determination items from Hackman and Oldham's (1980) autonomy scale. The PEQ uses a 7-point likert scale that ranges from 1, strongly disagree all the way through to 7, strongly agree, where a high score indicates a high level of empowerment. Additionally, using structural equation modelling, Stander and Rothmann (2009) have proven the construct validity of the PEQ and have reported on a Cronbach's alpha of 0.91 for the instrument. Moreover, a number of studies were found to be supportive of the four-factor structure of the PEQ, with exploratory factor analysis being used in the works of Griggspall and Albrecht (2003), Henken and Marchiori (2003), Hochwlder and Brucefors (2005), Hu and Leung (2003), Moye and Henkin (2006) and Vardi (2000).

However, Confirmatory Factor Analysis (CFA) was used in a limited number of studies as shown by Kraimer, Siebert and Liden (1999) and Spreitzer (1995). Therefore, CFA was performed for the purpose of this study.

3.4.3 Schutte's Self-Report Emotional Intelligence Test (SSEIT)

The 33-item SSEIT based on the model developed by Mayer and Salovey (1990), is a self-report questionnaire that is used to measure one's levels of EQ. The SSEIT that will be used in this research study was developed by Schutte et al. (1998), and has also been validated by Ciarrochi, et al. (2001) and Ciarrochi et al. (2002). The SSEIT makes use of a 5-point Likert scale and measures four sub-components, namely, Perception of Emotion that is measured through ten items, Managing Own Emotions that is measured through nine items, Managing Others' Emotions that is measured through eight items and Utilisation of Emotion that is measured through six items.

Additionally, Schutte (1998) and her research colleges have reported on a strong Cronbach's alpha score of 0.90 for the emotional intelligence scale.

3.5 Data collection

Data collection for this study was administered electronically, in order to reduce the risk of questionnaires being lost or not being fully completed, as well as owing to the fact that most respondents would have access to the internet in their workspace in order to partake in an online questionnaire. However, the inherent risk involved in online questionnaires, such as respondents not attentively completing the survey and therefore not giving their most honest response, may threaten the reliability and validity of this study. This was therefore managed to the researcher's best ability and was further acknowledged that it may too become a limitation to the study.

Data was also collected by making the survey link available online via Facebook, a social media platform, in order to obtain access to a wider audience to better reach the desired sample size. The researcher was aware of the risk in exposing the survey link to others who might not fit the requirements, thus presenting a possible limitation to this study, however this was mitigated through providing clear and simple instructions over Facebook and once again on the survey's opening statement.

The data for this study was obtained by the researcher from both firms and larger institutional banks within the investment banking industry in South Africa. The researcher gathered the data for the study from approximately 221 respondents. The data collection took place from June 2018 until September 2018.

3.6 Data analysis

Data analysis was performed with the aid of descriptive and inferential statistical analysis. This was achieved through the use of the services of a statistician within the Unit for Statistical Consultation (USC) at the Nelson Mandela University (NMU).

CFA was performed on the RPQ, PEQ and the SSEIT in order to validate the factors in these particular scales within a South African context. Pearson's Product-Moment Correlation Coefficient (PPMCC) was also calculated in order to determine whether any correlations exist between the three constructs that are being examined, as well as to show validity of the factors of each measuring instrument. Furthermore, Analysis of Variance

(ANOVA) was used in order to establish whether any statistically significant differences exist between respondents from the investment banking industry, according to job level for the three constructs.

In addition, Tukey's HSD test was used to establish practical significance in cases where statistically significant differences were found. Lastly, Regression Analysis was used in order to determine whether correlations exist between the three constructs and whether mediation could be proved, as well as to test the proposed theoretical model of this study.

3.7 Validity and reliability of the study

To best ensure that the research was conducted applying high ethical standards, a number of measures were used to improve the validity and reliability of the study.

Firstly, the reliability and validity of the literature study were improved by the utilisation of various academic sources, existing theories and models that provide valuable insight into the constructs of this study which were examined to ensure its relevance to the research objectives. The literature was also gathered in a uniform and systematic manner.

Secondly, the reliability and validity of the empirical study were also improved in a number of ways. The researcher attained assistance from a statistician within the USC at NMU to ensure the accurate interpretation of the data and to thereby generate credible results. Furthermore, three instruments were used that have already been used by previous researchers to measure the constructs of Reward Preferences, Psychological Empowerment and EQ respectively.

Therefore, previous research has proven their reliability and validity.

3.7.1 Validity

Ukrainetz and Blomquist (2002, p. 60) refer to validity as how well a test measures what it is intended to measure. Validity is concerned with making an evaluative judgment about an assessment (Gregory, 2000). These inferences made, are referred to as hypotheses and when these inferences are validated it leads to hypothesis-testing (Messick, 1989, p. 6). As

a result, validity is seen as the evaluative judgements that are based on the inferences made on the assessments' results. The hypothesis testing will take place in Chapter Four.

Further forms of validity that are relevant to this study are content and construct validity. Content validity, also known as Face validity, refers to the degree that the instrument includes the content that it is supposed to measure. (Bush, 1985). Content validity was achieved by the respective authors who developed the RPQ, PEQ and the SSEIT based on a review of literature. Construct validity assesses whether the instruments measure the constructs that they are supposed to measure (Woods & West, 2010). Construct validity was measured by making use of three instruments which have formerly shown to have construct validity. Snelger et al (2013) confirm the RPQ's construct validity, Stander and Rothman (2009) confirm the PEQ's construct validity and Ciarrochi, Chan and Bajgar (2001) and Ciarrochi, Deane and Anderson (2002) confirm the SSEIT construct validity. Construct validity was further determined through the use of CFA, which seeks to measure the dimensional structure of the instruments, as well as through PPMCC, which correlated the scores of each instrument against one another to see how they relate as being indicators of one another.

The results of these statistical tests will be provided in Chapter Four and will be discussed in Section 5.2.7 of Chapter Five.

3.7.2 Reliability

The reliability of this study was further ensured by obtaining data from a sufficiently representative sample in order to support the practical significance of this study. The reliable interpretation of the results obtained will be presented in Chapter Four, through the use of statistical analysis that are supported by standardised techniques.

Reliability is seen as the degree to which a test is free from measurement errors, as the more measurement errors occur, the less reliable the test becomes (Fraenkel & Wallen, 2003). These authors further state that a test that is said to be reliable can be used by various different researchers under stable conditions, as it bears a consistent pattern of results that

do not vary. Reliability is a vital factor in assessment and is presented as an aspect contributing to validity. Cronbach's alpha was calculated for the purpose of this study as a measure of internal consistency reliability of the three instruments that were used.

The results of these statistical tests will be presented in Chapter Four to follow and will thereafter be discussed in Section 5.2.7 of Chapter Five.

3.8 Ethical responsibility in the research

To ensure that the research was conducted within an ethical framework, the seriousness of plagiarism was acknowledged and such an act was avoided. Furthermore, participation in the research study was voluntary at all times and respondents could exercise their right to withdraw partially or completely from the study at any time. Confidentiality was also guaranteed to both the possible and actual respondents and they were informed that the research data will remain the intellectual property of NMU.

The researcher strived to always be objective throughout the research process and the private investment banking firms, or larger institutional banks, or any other interested organisation in this study requesting feedback was provided with all results relevant to them to ensure absolute transparency.

Lastly, the researcher obtained ethical clearance from the NMU Research Ethics (Human) Committee, as seen in Annexure B.

3.9 Conclusion

This chapter focused on all the aspects of the research methodology that was utilised in the study. The research type that is both quantitative and exploratory in nature was expanded on. This chapter also included the sampling method, which are purposive and snow-ball sampling, which are both non-probability sampling techniques. The measuring instruments pertaining to the RPQ, PEQ and the SSEIT were also highlighted upon.

Lastly, the reliability and validity of the study, the data collection method, data analysis and the ethical considerations of the study were all addressed in this chapter. The chapter to follow will interpret the results obtained from the research study.

CHAPTER FOUR

RESULTS

4.1 Introduction

This chapter graphically illustrates and discusses the results of the empirical study that was conducted. A discussion of the sample distribution and the reliability of each measuring instrument that was used will be provided. Additionally, the descriptive and inferential statistics as well as the set hypotheses will be presented and discussed.

4.2 Distribution of the sample

The following section depicts how the sample for this study was distributed according to gender, age, marital status and job level.

4.2.1 Gender distribution

As seen from the figure below the majority of the sample comprised of males (70%), with the minority being females (30%).

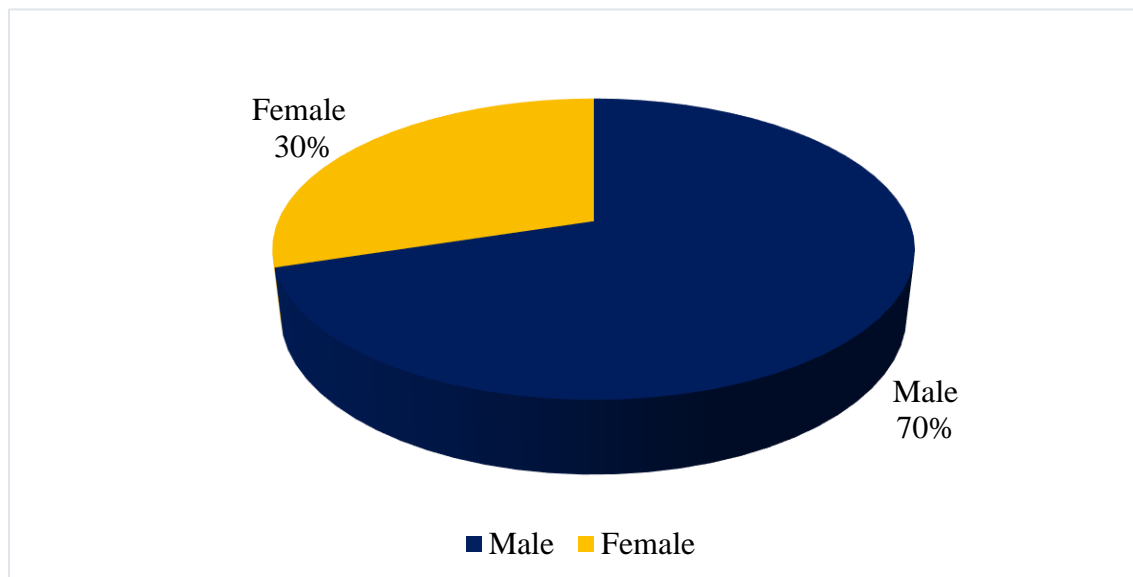


Figure 4.1: Gender distribution across sample (n=221)

4.2.2 Age distribution

Based on Figure 4.2 below it is evident that the majority of respondents were in the age group of 29-38 years (32%), followed by those of 18 to 28 years (29%) and 49 to 58 years (25%) and the minority group fell within the age bracket of 59+ years (2%).

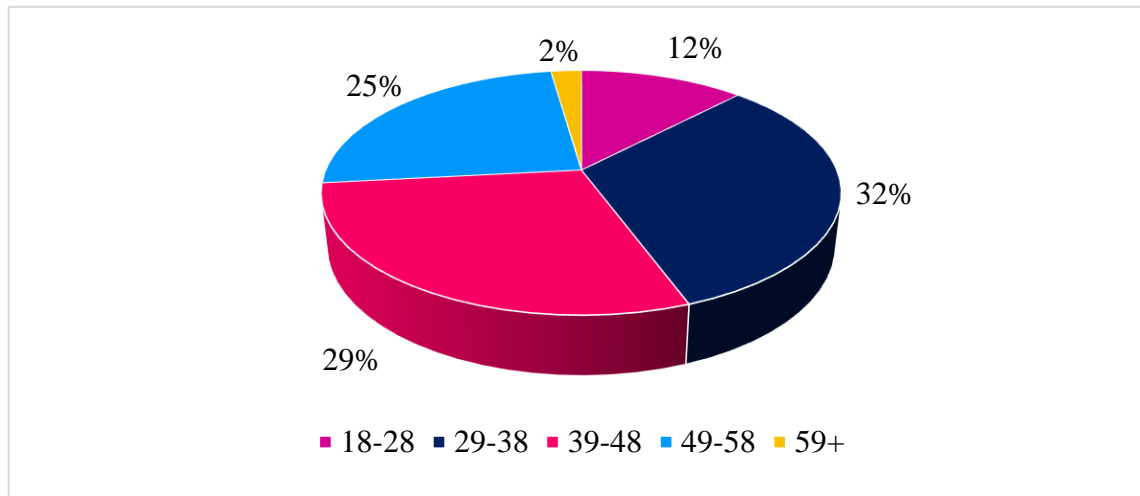


Figure 4.2: Age distribution across sample (n=221)

4.2.3 Marital status

The marital status of the respondents sampled fell into the categories of single, married, divorced and widowed. It is clear from the figure illustrated below that the minority of respondents fell into the categories of widowed (1%), followed by divorced (6%) and single (26%) and the majority of the sample group fell within the category of married (67%).

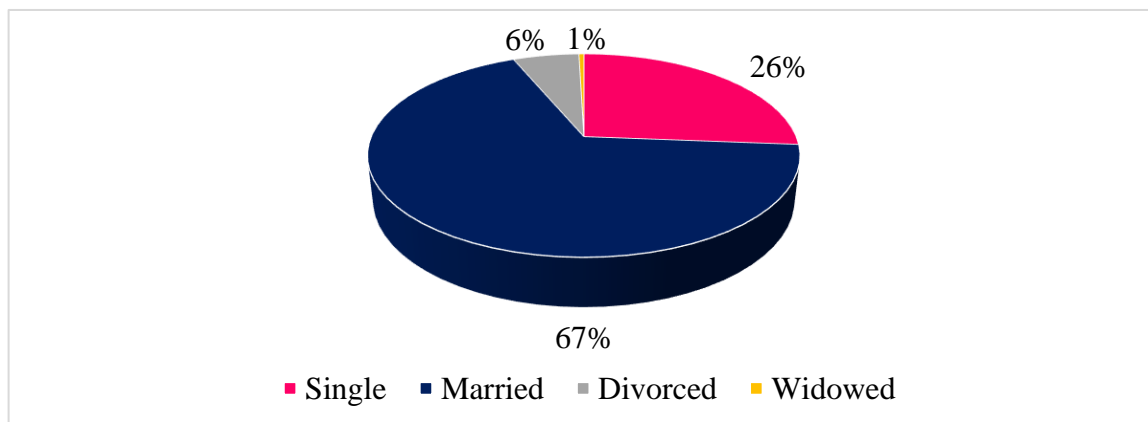


Figure 4.3: Distribution of sample according to marital status across sample (n=221)

4.2.4 Sample distribution according to job level

In the questionnaire administered to the sample, respondents were required to indicate their job level according to four possible categories, namely specialist/professional, general management, junior management and senior management. Figure 4.4 below represents the distribution of the sample across these four categories.

From the figure below, it is clear that the majority of the sample were of a specialist/professional job level (61%), followed by senior management with (24%) and only 5 percent of the minority of respondents being of a junior management level.

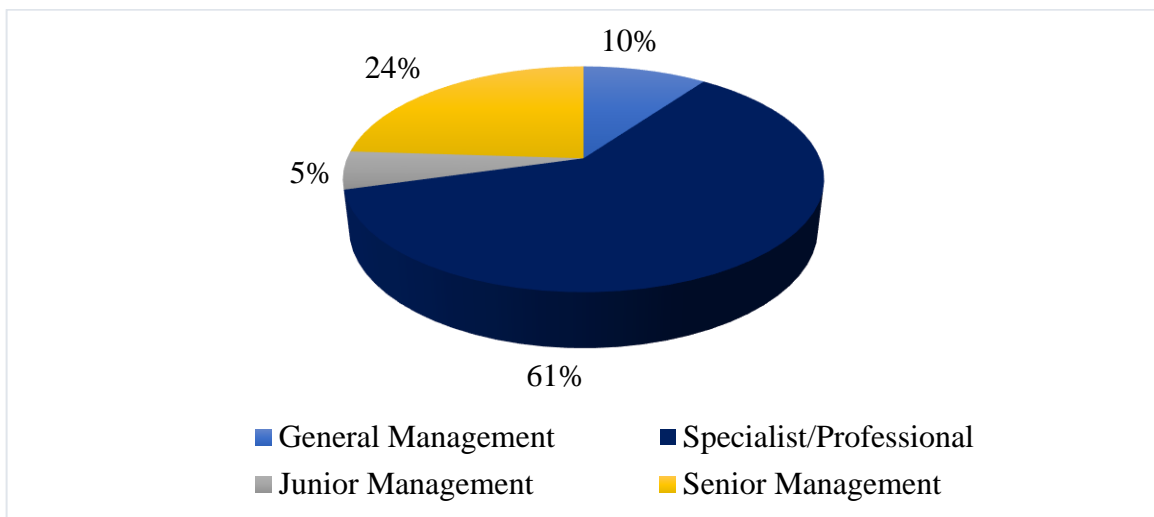


Figure 4.4: Distribution of sample by job level (n=221)

It is also evident from the figure above that there is a fairly even distribution of the sampled respondents according to junior and general management, as there is only a five percent difference between these two levels.

4.3 Reliability of the measuring instruments

All three of the instruments used in this study obtained Cronbach's alpha scores above 0.80, which will be discussed in greater detail in this section to follow. Gravetter and Wallnau (2013) state that scores that report on a reliability coefficient falling between 0.70-0.79 are indicative of good internal consistency, whereas scores that are above 0.80 demonstrate excellent internal consistency.

4.3.1 Reliability of the RPQ

It is evident that the RPQ was found to have high levels of internal consistency, which can be seen from the Cronbach's alpha scores from Shelton and Renard (2015) showing a strong reliability score of 0.89 for the reward preferences section of the RPQ. Table 4.1 illustrates the reliability coefficients obtained from the RPQ in this study, as well as compared to the previous studies of Shelton and Renard (2015). The present study obtained a slightly higher overall reliability score in comparison to Shelton and Renard (2015). These reliability scores are considered to be acceptable as they are well above the 0.60 level.

Table 4.1: Cronbach's alpha values of the RPQ

Instrument	Shelton and Renard (2015)	Cronbach's Alpha (α) Present Study
RPQ (Total)	0.89	0.91

Table 4.2: Present study Cronbach's alpha values for factors of the RPQ

Factors	Cronbach's Alpha (α) Present Study
Base Pay	0.72
Contingency Pay	0.51
Benefits	0.80
Work/home Integration	0.69
Performance and Career Management	0.83
Quality Work Environment	0.58

It is clear from table 4.2 above that more than half of the factors of the RPQ fall above the 0.60 acceptable level, where the factors of Contingency Pay and Quality Work Environment fall slightly below the level, which may be indicative of a possible limitation to the sample, which will be discussed in the next chapter.

4.3.2 Reliability of the PEQ

The 12-item PEQ that was developed by Spreitzer (1995) received a Cronbach's alpha score of 0.90 in this study, which is indicative of excellent internal consistency. Stander and

Rothmann (2009) have also reported on a Cronbach's alpha score of 0.91 for this instrument, which is indicative of strong internal consistency.

Table 4.3: Cronbach's alpha values for the PEQ

Instrument	Stander and Rothman (2009)	Cronbach's Alpha (α) Present Study
PEQ (Total)	0.91	0.90

Table 4.4: Present study Cronbach's alpha values for factors of the PEQ

Factor	Cronbach's Alpha (α) Present Study
Meaning	0.91
Competence	0.81
Self-determination	0.83
Impact	0.88

It is evident from table 4.4 above that all of the factors of the PEQ are above 0.8, which is indicative of excellent internal consistency.

4.3.3 Reliability of the SSEIT

The 33-item SSEIT received a Cronbach's alpha score of 0.90 in this study, which is indicative of excellent internal consistency. Schutte (1998) and her research colleges have also reported on a strong Cronbach's alpha score of 0.91 for the emotional intelligence scale.

Table 4.5: Cronbach's alpha values for the SSEIT

Instrument	Schutte (1998)	Cronbach's Alpha (α) Present Study
SSEIT (Total)	0.91	0.90

Table 4.6: Present study Cronbach's alpha values for factors of the SSEIT

Factor	Cronbach's Alpha (α) Present Study
Perception of Emotion	0.82
Managing Own Emotion	0.73
Managing Others' Emotion	0.74
Utilisation of Emotion	0.76

It is clear that of all the factors of the SSEIT, as illustrated above in table 4.6, are indicative of good internal consistency.

4.3.4 **Factor analysis**

CFA was conducted on all three instruments of the RPQ, the PEQ and the SSEIT. This was done in order to validate the factors within a South African context, as well as to determine acceptable construct validity, as previously discussed in Chapter Three.

4.3.4.1 **Confirmatory Factor Analysis (CFA)**

Malhotra (2010) states that CFA is used to confirm that there is construct validity which confirms the factor structure of the instruments used. Table 4.7 below shows the observed CFA fit statistics for the RPQ, PEQ and the SSEIT. In the table below the red text indicates an acceptable fit for single cells.

As is evident from the table below, all of the instruments fell below the required 0.05 level for the Chi-Square test (Malhotra, 2010). The values obtained for the instrument for the Bentler-Bonnet normed fit index (NFI) and the Bentler comparative fit index (CFI) were both above the required 0.92 level for the PEQ, thus suggesting an acceptable fit, however the RPQ and the SSEIT fell just below the required level. All of the values for the PEQ, as well as the SSEIT were below the target of 0.08 for the standardised root mean square residual (SRMSR) test, however the RPQ fell slightly above this level. For the root mean square of approximation (RMSEA), only the SSEIT fell below the acceptable target of 0.08. Finally, all of the instruments fell slightly below the required 0.95 level for the Joreskog adjusted GFI (AGFI), indicating an unacceptable fit.

Table 4.7: CFA results for the RPQ, PEQ and the SSEIT

			RPQ	PEQ	SSEIT
Sample size	N		221	221	221
No Items	M		42	12	33
Sample size	N	200 < n < 250			
No. items Category	m.Cat.	11 < m < 45			
Absolute/Predictive fit	Abbr.	Target	Observed	Observed	Observed
Chi Square (Maximum likelihood)	χ^2		1630.396	157.661	1001.492
	Df		588	50	460
	P	$\geq .050$	0.000	0.000	0.000
	χ^2/df	≤ 3	2.77	3.15	2.18
Comparative fit indices					
Bentler-Bonnet normed fit index	NFI	$\geq .92$	0.60	0.92	0.63
Bentler comparative fit index	CFI	$\geq .92$	0.70	0.94	0.75
Other					
Joreskog adjusted GFI	AGFI	$\geq .95$	0.71	0.89	0.77
Standardised root mean square residual	SRMR	$\leq .08$	0.10	0.07	0.06
Root mean square error of approximation	95%lo	$\leq .08$	0.085	0.082	0.067
	RMSEA		0.091	0.099	0.073
	95%Hi		0.097	0.117	0.097

4.4 Descriptive statistics

In the following section the descriptive statistics relevant to this study will be discussed. Results pertaining to the RPQ, PEQ and the SSEIT will be expanded on and explained below.

4.4.1 Descriptive statistics for the RPQ

Table 4.8 illustrates the mean, standard deviation and the median for the RPQ. Venter (2016) as cited by Shelton (2016) states that the distribution of scores for the RPQ are classified into three categories: low (1.0 to 2.6), neutral (2.7 to 3.4) and high (3.5 to 5.0).

Table 4.8: Descriptive statistics of the RPQ factors

Factors	Factor Rank	Mean	Median	SD	Minimum	Maximum
Base Pay	2	4.11	4.2	0.66	1.4	5
Contingency Pay	1	4.17	4.25	0.60	2	5
Benefits	6	3.13	3.13	0.87	1	5
Financial Rewards Total	1	3.80	3.84	0.54	1.97	4.96
Performance and Career Management	4	3.64	3.69	0.63	1.62	5
Quality Work Environment	3	3.83	3.83	0.50	2.33	5
Work/home Integration	5	3.20	3.33	0.75	1	5
Non-Financial Rewards Total	2	3.56	3.56	0.50	1.97	4.86

The table to follow depicts how the scores for the RPQ factors were distributed in terms of the responses being spread across the scale of negative, neutral and positive.

Table 4.9: Distribution of scores for the RPQ

Factors	Negative		Neutral		Positive	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Base Pay	8	3.6	29	13.1	184	83.3
Contingency Pay	3	1.4	21	9.5	197	89.1
Benefits	60	27.1	67	30.3	94	42.5
Financial Rewards Total	4	1.8	47	21.3	170	76.9
Performance and Career Management	11	5	66	29.9	144	65.2
Quality Work Environment	4	1.8	32	14.5	185	83.7
Work/home Integration	42	19	92	41.6	87	39.4
Non-financial Rewards Total	7	3.2	79	35.7	135	61.1

It can be seen in Table 4.9 that the majority of respondents indicated positive responses across all of the RPQ factors. It is also evident from Table 4.8 that most of the factors of the RPQ have a high mean score, with Contingency Pay and Base Pay obtaining the highest mean scores, and the lowest mean score being Benefits. It can further be seen according to the factor ranking scale, in table 4.8, that respondents prefer Contingency Pay the most and Benefits the least. This is confirmed by table 4.9 that demonstrates that 197 respondents answered positively for Contingency Pay with 89.1% and 184 respondents gave positive responses with 83.3% for Base Pay. Conversely, Benefits, while preferred the least, still received a positive response of 42.5% by 94 respondents. This is indicative of the nature of the investment banking industry, as it can be seen that the sample group strongly prefer Financial rewards, thus wanting a high Base Pay supplemented with good Contingency Pay, placing less focus on the need for Benefits. From the above table it is apparent that the majority of the mean scores for the Reward Preference factors fall into the 'high' category (for scores between 3.5 and 5.0) with Benefits and Work/home Integration falling into the neutral category (for scores between 2.7 and 3.4).

The highest standard deviation on the Reward Preferences scale was for Benefits at 0.87, which indicates that responses were the most dispersed from the mean, which suggests that

respondents varied greatly in their responses regarding this reward preference. Conversely, the lowest standard deviation score obtained was for Quality Work Environment at 0.50. This demonstrates that responses were more clustered around the mean, which indicates that respondents did not vary much in their responses to this particular factor. Although while Financial Rewards and Non-financial Rewards overall both received a high score, it is clear from both tables that the sample group preferred Financial Rewards to Non-Financial Rewards, indicating a positive response of 76.9%.

4.4.1.1 Descriptive statistics for the RPQ according to job level

Table 4.10 below depicts the mean score and the standard deviation score for the RPQ factors across all of the job levels found within the investment banking industry. The tables that follow after Table 4.10 illustrates the Reward Preferences ranked according to each job level respectively.

Table 4.10: Distribution of scores of the RPQ according to job level

		Reward Preference		Total
		Non-Financial Rewards	Financial Rewards	
General Management	Count	6	16	22
	%	27.3%	72.7%	100.0%
Specialist/Professional	Count	36	98	134
	%	26.9%	73.1%	100.0%
Junior Management	Count	2	10	12
	%	16.7%	83.3%	100.0%
Senior Management	Count	11	42	53
	%	20.8%	79.2%	100.0%
Total	Count	55	166	221
	%	24.9%	75.1%	100.0%

It is evident from the table above that employees within investment banking have a clear preference for Financial Rewards (75.1%) compared to Non-financial Rewards (24.9%).

The tables to follow illustrate the descriptive statistics of the RPQ factors for each job level respectively, according to general management, junior management, specialist/professional and senior management.

Table 4.11: Descriptive Statistics of the RPQ factors for General Management

General Management	Rank	Mean	Std
Base Pay	1	4.18	0.60
Contingency Pay	2	4.08	0.59
Quality Work Environment	3	3.89	0.56
Performance and Career Management	4	3.69	0.55
Benefits	5	3.26	0.74
Work/Home Integration	6	3.21	0.62

It can be seen from Table 4.11 that general managers have a strong preference for Base Pay, falling in first place and Contingency Pay in second place, as financial rewards, with Quality Work Environment as a non-financial reward coming third, and Work/home Integration ranked last, being the least preferred reward. General managers are evidently more focused on the Financial Reward component and seek a Quality Work Environment over Performance and Career Management and having greater Work/home Integration. However, while differences exist, all rewards are still ranked closely together according to their mean scores, therefore still holding proportionate importance to one another.

Table 4.12: Descriptive Statistics of the RPQ factors for Junior Management

Junior Management	Rank	Mean	SD
Base Pay	1	4.22	0.47
Performance and Career Management	2	3.81	0.55
Quality Work Environment	3	3.81	0.61
Contingency Pay	4	3.71	0.63
Benefits	5	3.64	0.69
Work/Home Integration	6	3.35	0.81

Table 4.12 indicates that junior managers strongly prefer Base Pay as a reward, as well as Performance and Career Management and a Quality Work Environment, as compared to Work/home Integration, which is the least preferred reward.

Table 4.13: Descriptive Statistics of the RPQ factors for Specialist/Professional

Specialist/Professional	Rank	Mean	Std. Deviation
Contingency Pay	1	4.16	0.57
Base Pay	2	4.13	0.65
Quality Work Environment	3	3.85	0.49
Performance and Career Management	4	3.65	0.65
Work/Home Integration	5	3.18	0.78
Benefits	6	3.15	0.89

Table 4.13 above illustrates that specialists/professionals have a stronger preference over Contingency Pay as a reward, compared to Benefits, which are ranked last.

Table 4.14: Descriptive Statistics of the RPQ factors for Senior Management

Senior Management	Rank	Mean	Std. Deviation
Contingency Pay	1	4.31	0.64
Base Pay	2	4.03	0.74
Quality Work Environment	3	3.79	0.50
Performance and Career Management	4	3.55	0.63
Work/Home Integration	5	3.21	0.73
Benefits	6	2.90	0.86

As can be seen from Table 4.14 above, that senior managers have a stronger preference for Contingency Pay as compared to Benefits, which are the least preferred. It is evident from

both Table 4.13 and 4.14 that both specialists/professionals and senior managers rank equally according to their preference for rewards, however still differ according to their mean scores.

4.4.2 Descriptive statistics for the PEQ

Table 4.15 below illustrates the percentile ranking categories for the PEQ instrument and its factors. The distribution of norming scores for the PEQ are classified along a ranking scale spread out from lowest (5%) to highest (95%), which is calculated based on a 7-point Likert scale (Spreitzer, 1995). Table 4.16 illustrates the mean, standard deviation and the median for the PEQ and Table 4.17 to follow illustrates how the scores for the PEQ were distributed.

Table 4.15: Percentile ranking for the PEQ factors

Rank	Meaning	Competence	Self-determination	Impact	Psychological Empowerment Total
Lowest					
5%	3.67	4.33	3.67	2.00	4.17
10%	4.67	4.50	4.33	2.67	4.50
15%	4.80	4.75	4.67	3.00	4.69
20%	5.00	5.00	4.75	3.33	4.83
25%	5.25	5.25	4.85	3.67	5.00
30%	5.33	5.33	5.00	4.00	5.08
35%	5.50	5.51	5.30	4.33	5.19
40%	5.67	5.67	5.33	4.67	5.33
45%	5.75	5.71	5.50	4.82	5.42
50%	5.91	5.75	5.67	5.00	5.50
55%	6.00	5.82	5.72	5.03	5.58
60%	6.11	6.00	5.75	5.33	5.67
65%	6.22	6.25	5.93	5.50	5.81
70%	6.33	6.33	6.00	5.67	5.88
75%	6.50	6.50	6.08	5.78	6.00
80%	6.67	6.67	6.33	6.00	6.08
85%	6.78	6.75	6.38	6.35	6.19
90%	6.89	6.91	6.67	6.50	6.38
Highest					
95%	7.00	7.00	7.00	7.00	6.58

Table 4.16: Descriptive statistics for the PEQ factors

Factors	Mean	Median	SD	Minimum	Maximum
Meaning	6.03	6.33	1.09	2.00	7.00
Competence	6.29	6.33	0.69	3.00	7.00
Self-determination	6.08	6.33	0.91	2.67	7.00
Impact	5.60	6.00	1.30	1.00	7.00
PEQ Total	6.00	6.08	0.78	2.50	7.00

Table 4.17: Distribution of scores for the PEQ

Factors	Low/Negative		Neutral		High/Positive	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Meaning	70	31.7	33	14.9	118	53.4
Competence	50	22.6	41	18.6	130	58.8
Self-determination	42	19	39	17.6	140	63.3
Impact	50	22.6	19	8.6	152	68.8
Psychological Empowerment Total	39	17.6	30	13.6	152	68.8

It can be seen from Table 4.16 that all of the factors of PEQ have what is considered to be a high mean score. This is confirmed by Table 4.15 that indicates that all of the factors fall above the 55% percentile rank, which means that the sample group was 55% more empowered than the norm, apart from the factor of Impact with a mean score of 5.60 being only 40% higher than the norm. Competence and Self-determination obtained the highest mean scores, with Meaning falling closely behind bearing only a small difference. However, Impact received the lowest mean score. This is confirmed by Table 4.17 where Competence received a positive response of 58.8% and Self-determination received a positive response of 63.3%. While Impact had the lowest mean score comparatively, it still received a positive response of 68.8%. This is indicative of the nature of the sample group primarily being of a specialist/professional job level with 61%, and not having as much

Impact over their department as their superiors. Overall the sample group received a mean score of 6.00 for their level of Psychological Empowerment, which indicates that they are 55% more empowered than the norm. This is also seen in table 4.17 where overall the sample group demonstrated a positive response for the PEQ of 68.8%, which indicates that they have high levels of Psychological Empowerment.

The highest standard deviation on the Psychological Empowerment scale was Impact at 1.30, which demonstrates that responses were widely clustered around the mean, implying that respondents varied in their responses to this particular factor. Conversely, the lowest standard deviation score obtained was for Competence at 0.69. This demonstrates that responses were more or less clustered around the mean, which indicates that respondents did not vary as much in their responses to this particular factor. Table 4.17 confirms that the majority of responses with 68.8% for the PEQ are positive responses, thus indicating responses around the mean.

4.4.3 Descriptive statistics for the SSEIT

Table 4.18 illustrates the mean, standard deviation and the median for the SSEIT. The distribution of scores for the SSEIT are classified into three categories: low (1.0 to 2.6), neutral (2.7 to 3.4) and high (3.5 to 5.0). Table 4.19 to follow depicts how the scores for the factors of the SSEIT were distributed in terms of the responses being spread across the scale of negative, neutral and positive.

Table 4.18: Descriptive statistics for the SSEIT factors

Factors	Mean	Median	SD	Minimum	Maximum
Perception of Emotion	3.80	3.75	0.56	2.13	5.00
Managing Own Emotions	3.99	4.00	0.49	2.75	5.00
Managing Others' Emotions	3.76	3.75	0.54	2.13	5.00
Utilisation of Emotion	3.80	3.83	0.58	1.67	5.00
Emotional Intelligence	3.84	3.82	0.44	2.57	5.00

Table 4.19: Distribution of scores for the SSEIT

Factors	Negative		Neutral		Positive	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Perception of Emotion	3	1.4	53	24	165	74.7
Managing Own Emotion	0	0	30	13.6	191	86.4
Managing Others' Emotion	4	1.8	56	25.3	161	72.9
Utilisation of Emotion	6	2.7	44	19.9	171	77.4
EQ total	30	13.6	178	80.5	13	5.9

It is evident from Table 4.18 that all of the factors of SSEIT have a high mean score that falls within the 3.5-5.0 category group. Managing Own Emotions has the highest mean score of 3.99. While still receiving a categorically high score, Managing Others' Emotions had the lowest mean score of 3.76. This is confirmed by Table 4.19 where Managing Own Emotions received a positive response of 86.4% and while Managing Others' Emotions still received a positive response of 72.9%.

Overall, the sample group received a mean score of 3.84 for Emotional Intelligence, which indicates that they have a moderately high EQ level. This is also confirmed in Table 4.19 where the majority of responses reported 80.5% neutral responses and 5.9% positive responses. This suggests that while their overall EQ level is fairly high, it still does not fall within the highest possible category. The highest standard deviation on the Emotional Intelligence scale was Utilisation of Emotion at 0.58, which demonstrates that responses were widely clustered around the mean, implying that respondents varied in their responses to this particular factor. Conversely, the lowest standard deviation score obtained was for Managing Own Emotions at 0.49. This demonstrates that responses were more or less clustered around the mean, which indicates that respondents did not vary as much in their responses to this particular factor.

4.5 Inferential statistics

Gravetter and Wallnau (2013) state that inferential statistics are vital to a study as it allows the researcher to study samples and make generalisations about the broader population

from which the sample is drawn. The inferential statistics used in this study include Pearson's Product Moment Correlations to show relationships between the constructs and ANOVA to show significant differences between the constructs according to job level, all of which will be discussed in greater detail in the section to follow.

4.5.1 Pearson's Product Moment Correlations

Gravetter and Wallnau (2013) state that Pearson's Product Moment Correlations are used in order to measure the degree and direction of the linear relationship between two constructs. This was used to determine whether significant relationships exist between the factors of the RPQ, PEQ and the SSEIT. The correlation will be deemed statistically significant when the correlation coefficient is greater than or equal to 0.10 and practically significant when the correlation coefficient is greater than or equal to 0.30 (Gravetter & Wallnau, 2013).

Table 4.20 indicates the scale that explains the strength of these relationships. As seen in Table 4.20, an r -coefficient between 0.10 and 0.29 is indicative of a small correlation that is statistically significant, whereas an r -coefficient ranging from 0.30 to 0.49 is representative of a practically significant moderate correlation and lastly an r -coefficient of 0.50 and above indicates a large correlation that is also practically significant.

Table 4.21 shows the abbreviations which have been used in the tables owing to space limitations. Additionally, it is important to note that statistically significant relationships are bold in black font, whereas relationships which are practically significant are bold and in red italicised font.

Table 4.20: Scale to interpret correlation coefficients

Correlation Coefficient Value	Explanation
0.10 $\leq r < 0.29$	Small correlation
0.30 $\leq r < 0.49$	Moderate correlation; definite relationship
<i>$r \geq 0.50$</i>	Large correlation; strong relationship

Table 4.21: Abbreviation of factors of RPQ, PEQ and SSEIT

Factor	Abbreviation
Base Pay	BA.RP
Contingency Pay	C.RP
Benefits	BE.RP
Work/home Integration	W.RP
Performance and Career Management	P.RP
Quality Work Environment	Q.RP
Reward Preferences	RP
Meaning	M.PE
Competence	C.PE
Self-determination	S.PE
Impact	I.PE
Psychological Empowerment	PE
Perception of Emotion	P.EQ
Managing Own Emotion	M.EQ
Managing Others' Emotion	MO.EQ
Utilisation of Emotion	U.EQ
Emotional Intelligence	EQ

The table to follow illustrates the Pearson's Product Moment Correlations of the RPQ factors in order to depict the correlations that are present between them, as well as to show the respective strength of each correlation thereof.

Table 4.22: Pearson's Product Moment Correlations of the RPQ factors

	BA.RP	C.RP	BE.RP	P.RP	Q.RP	W.RP
BA.RP	-	<i>.368</i>	<i>.462</i>	<i>.473</i>	<i>.267</i>	<i>.317</i>
C.RP	<i>.368</i>	-	<i>.214</i>	<i>.181</i>	<i>.218</i>	<i>.237</i>
BE.RP	<i>.462</i>	<i>.214</i>	-	<i>.645</i>	<i>.412</i>	<i>.569</i>
P.RP	<i>.473</i>	<i>.181</i>	<i>.645</i>	-	<i>.438</i>	<i>.521</i>
Q.RP	<i>.267</i>	<i>.218</i>	<i>.412</i>	<i>.438</i>	-	<i>.397</i>
W.RP	<i>.317</i>	<i>.237</i>	<i>.569</i>	<i>.521</i>	<i>.397</i>	-

It is evident from Table 4.22 above that there is a small correlation between the factors of Quality Work Environment and Base Pay as well as between Contingency Pay to Benefits, Performance and Career Management, Quality Work Environment and Work/home Integration. There is a moderate correlation between the factors of Base Pay to the factors of Contingency Pay, Benefits, Performance and Career Management, Work/home Integration, as well as between Quality Work Environment to Benefits and Performance and Career Management. There is a large correlation between the factors Work/home Integration and Benefits, Benefits and Performance and Career Management, as well as Work/home Integration and Performance and Career Management.

The table above shows that positive, practically significant correlations exist between most of the factors of the RPQ (r coefficient > 0.30), apart from the factors between Quality Work Environment and Base Pay as well as between Contingency Pay to Benefits, Performance and Career Management, Quality Work Environment and Work/home Integration, which were only statistically significant (r coefficient > 0.10). Woods and West (2010) state that this also proves construct validity as it serves as a relevant indicator that the factors within the instrument correlate.

Table 4.23 below illustrates the Pearson's Product Moment Correlations of the PEQ factors in order to depict the correlations between them.

Table 4.23: Pearson's Product Moment Correlations of the PEQ factors

	M.PE	C.PE	S.PE	I.PE
M.PE	-	<i>.492</i>	<i>.474</i>	<i>.507</i>
C.PE	<i>.492</i>	-	<i>.525</i>	<i>.367</i>
S.PE	<i>.474</i>	<i>.525</i>	-	<i>.527</i>
I.PE	<i>.507</i>	<i>.367</i>	<i>.527</i>	-

From Table 4.23 it can be seen that correlations fall between being moderate to high, as there are no small correlations present. There is a moderate correlation found between the factors of Meaning to Competence and to Self-determination, as well as between Competence and Impact. There is a large correlation found between the factors of Meaning and Impact, Competence and Self-determination, Impact and Self-determination, which are all of which are indicative of a dependable relationship. The table above shows that practically significant correlations exist between all of the factors of the PEQ.

Table 4.24: Pearson's Product Moment Correlations of the SSEIT factors

	P.EQ	M.EQ	MO.EQ	U.EQ
P.EQ	-	<i>.545</i>	<i>.650</i>	<i>.439</i>
M.EQ	<i>.545</i>	-	<i>.652</i>	<i>.460</i>
MO.EQ	<i>.650</i>	<i>.652</i>	-	<i>.537</i>
U.EQ	<i>.439</i>	<i>.460</i>	<i>.537</i>	-

It is clear from Table 4.24 above that small correlations exist, as all of the correlations are practically significant ($r > 0.30$).

Additionally, all of the correlations are considered as large, apart from the factors between Utilisation of Emotion and Perception of Emotion, as well as Utilisation of Emotion and Managing Own Emotions, which are moderate correlations. The table to follow shows the correlations between the RPQ and PEQ factors.

4.5.1.1 RPQ and PEQ correlations

The table below illustrates the correlations between the RPQ and the PEQ factors.

Table 4.25: Pearson's Product Moment Correlations RPQ and PEQ

	M.PE	C.PE	S.PE	I.PE	PEQ Total
BA.RP	0.082	0.115	0.083	0.019	0.085
C.RP	0.272	0.182	0.285	0.250	0.320
Total Compensation	0.209	0.178	0.217	0.156	0.239
Total Financial Rewards	0.141	0.103	0.083	0.041	0.112
B.RP	0.012	-0.021	-0.107	-0.111	-0.078
P.RP	0.033	-0.053	-0.036	-0.079	-0.043
Q.RP	0.001	0.005	0.016	-0.024	-0.004
W.RP	0.114	-0.098	-0.011	0.025	0.025
Total Non-financial Rewards	0.071	-0.069	-0.015	-0.028	-0.007
RPQ Total	0.118	0.022	0.039	0.008	0.060

Based on Table 4.25 above it is evident that although small, there are a number of correlations that exist between the RPQ and PEQ at a statistically significant level. It can be seen from the table that there are correlations found between the factor of Base Pay of the RPQ to Competence, as well as between the factor Contingency Pay to all of the factors of the PEQ, as well as between Work/home Integration and Meaning. There are also small statistically significant inverse relationships present between the factors of Benefits and Self-determination, as well as between Benefits and Impact. There is a statistically significant correlation found between Total Compensation and Total PEQ, as well as

between Total Financial rewards and Total PEQ. There is also a statistically significant correlation found between the Total RPQ and the factor of Meaning of the PEQ.

4.5.1.2 *RPQ and SSEIT correlations*

The table to follow shows the relationships between SSEIT and RPQ factors. Table 4.26 provides evidence of a number of correlations between the SSEIT and RPQ factors.

Table 4.26: Pearson's Product Moment Correlations RPQ and SSEIT

	P.EQ	M.EQ	MO.EQ	U.EQ	SSEIT Total
BA.RP	0.243	0.247	0.260	0.197	0.291
C.RP	0.148	0.325	0.148	0.223	0.256
Total Compensation	0.239	0.344	0.245	0.249	0.331
Total Financial Rewards	0.298	0.369	0.313	0.281	0.386
B.RP	0.266	0.272	0.281	0.218	0.318
P.RP	0.314	0.312	0.374	0.330	0.410
Q.RP	0.329	0.228	0.216	0.210	0.303
W.RP	0.283	0.228	0.302	0.246	0.327
Total Non-financial Rewards	0.380	0.319	0.378	0.330	0.434
RPQ Total	0.372	0.380	0.379	0.335	0.450

It is evident from Table 4.26 above that all of the factor correlations between the RPQ and SSEIT are positively statistically significant, except for the factors between Contingency Pay and Managing Own Emotions, which are practically significant and demonstrate a moderate correlation. The factor of Performance and Career Management to all of the factors of the SSEIT also indicate a moderate correlation and are all positively practically significant. The factors between Quality Work Environment and Perception of Emotion and Work/home Integration and Managing Others' Emotions, were also all moderate

correlations, as well as all being positively practically significant as it is above the 0.30 significance level. There were additional practically significant moderate correlations found between the total values of the instruments in terms of Total Compensation, Total Financial Rewards, as well as Total Non-financial Rewards to the Total SSEIT. Finally, it can be seen from the table that a practically significant relationship exists between the Total RPQ to the Total SSEIT, suggesting a dependable relationship between both factors, as it is above the 0.30 level.

4.5.1.3 PEQ and SSEIT correlations

The table to follow shows the correlations between the PEQ and SSEIT factors. As is clear from the table to follow, a number of correlations exist between these two instruments.

Table 4.27: Pearson's Product Moment Correlations of PEQ and SSEIT

	P.EQ	M.EQ	MO.EQ	U.EQ	SSEIT Total
M.PE	0.211	0.326	0.254	0.172	0.292
C.PE	0.127	0.363	0.147	0.045	0.201
S.PE	0.048	0.264	0.180	0.119	0.183
I.PE	0.164	0.213	0.140	0.066	0.176
PEQ Total	0.183	0.357	0.231	0.131	0.272

It is clear from the table above that statistically significant relationships exist for all of the factors except those between Perception of Emotion and Self-determination, Utilisation of Emotion and Competence, as well as Utilisation of Emotion and Impact, where no relationship was found. There are also practically significant relationships between the factors of Managing Own Emotions and Meaning, as well as between Managing Own Emotions and Competency, which are both indicative of a dependable relationship. A practically significant relationship can also be seen between PEQ Total and Managing Own Emotions. It is also clear from the table that a statistically significant relationship exists between the PEQ and the SSEIT, as it is above the required significance level.

4.5.2 ANOVA

Gravetter and Wallnau (2013) state that ANOVA is a hypothesis testing procedure that is used in order to evaluate the mean differences between two or more treatments. For the purpose of this study, job level in terms of respondents either being of a specialist/professional level, or of general management, junior management and senior management level, were all compared according to the factors of the RPQ, PEQ and the SSEIT. The results of the ANOVA of this study will be discussed in the section to follow.

4.5.2.1 ANOVA according to job level

The tables below show the ANOVA results for the variables according to job level. Once a significant difference had been found, set at the 0.05 significance level, a Tukey HSD test was used to detect where the difference lies and Cohen's d was then calculated in order to determine the effect size. The tables below illustrate the ANOVA results for Contingency Pay according to job level. The table below illustrates the effect size of where a statistical difference was found to be significant. An effect size that ranges between 0.2 and less than 0.5 is considered small, whereas a Cohen's d value of between 0.5 and less than 0.8 is considered to be a moderate effect size and a large difference is greater than 0.8 (Gravetter & Wallnau, 2009).

Table 4.28: Cohen's d effect sizes

	Small	Moderate	Large
Cohen's d	$0.2 \leq d < 0.5$	$0.5 \leq d < 0.8$	$d \geq 0.8$

The next table below to follow indicates the ANOVA results for Contingency Pay according to job level.

Table 4.29: ANOVA results for Contingency Pay according to job level

Source of Variation	SS	Df	MS	F	P- value
Between Groups	3.798	3	1.266	3.601	.014
Within Groups	76.279	217	0.352		
Total	80.076	220			

Table 4.30: Tukey results for Contingency Pay according to job level

Job Level 1	Job Level 2	M1	M2	Diff. M1- M2	Tukey P-value	Cohen's d
Senior Management	Junior Management	4.31	3.71	0.60	0.009	Large 1.50

Table 4.29 provides evidence that a practically significant difference exists with regards to Contingency Pay as the p value of 0.014, is less than 0.05. Table 4.30 shows that a practically significant difference occurs between senior and junior managers. This has a large effect size ($d \geq 0.8$). The mean values indicate that senior managers have greater preference for Contingency Pay than junior managers. The table below illustrates the ANOVA results for Benefits according to job level.

Table 4.31: ANOVA results for Benefits according to job level

Source of Variation	SS	Df	MS	F	P- value
Between Groups	6.179	3	2.060	2.771	.043
Within Groups	161.305	217	0.743		
Total	167.484	220			

Table 4.32: Tukey results for Benefits according to job level

Job Level 1	Job Level 2	M1	M2	Diff. M1- M2	Tukey P-value	Cohen's d
Senior Management	Junior Management	3.64	2.90	0.74	0.042	1.21 Large

Table 4.31 illustrates that a practically significant difference exists between the job levels in terms of Benefits. This is due to the p value being below the 0.05 significance level. Table 4.32 shows that a large practically significant difference ($d \geq 0.8$) occurs between

junior and senior managers for their preference for Benefits. Table 4.31 shows that it is senior managers who prefer benefits as compared to junior managers, as based on the mean scores. No significant differences were found relating to the factors of Base Pay, Performance and Career Management, Work/home Integration and Quality work Environment and therefore these tables have not been provided here due to space constraints.

The table below illustrates the ANOVA results for Self-determination according to job level.

Table 4.33: ANOVA results for Self-determination according to job level

Source of Variation	SS	Df	MS	F	P- value
Between Groups	7.399	3	2.466	3.056	.029
Within Groups	175.122	217	0.807		
Total	182.521	220			

Table 4.34: Tukey results for Self-determination according to job level

Job Level 1	Job Level 2	M1	M2	Diff. M1- M2	Tukey P-value	Cohen's d
Senior Management	Junior Management	6.35	5.61	0.74	0.051	N/A

It can be seen from Table 4.33 that there is evidence that shows that a statistically significant difference is present between job levels in terms of their level of Self-determination. This is shown by the *p* value being below 0.05. Cohen's *d* was not calculated for this variable, as only a small notable difference was found.

Table 4.34 shows that the differences exist between senior and junior managers. It is clear from Table 4.34 that senior managers have greater levels of Self-determination than junior

managers, in terms of their mean scores. The table below illustrates the ANOVA results for Impact according to job level.

Table 4.35: ANOVA results for Impact according to job level

Source of Variation	SS	Df	MS	F	P- value
Between Groups	53.411	3	17.804	12.144	.000
Within Groups	318.127	217	1.466		
Total	371.537	220			

Table 4.36: Tukey results for Impact according to job level

Job Level 1	Job Level 2	M1	M2	Diff. M1-M2	Tukey P- value	Cohen's d
Senior Management	Junior Management	6.43	5.31	1.12	0.021	1.25 Large
Senior Management	Specialist/ Professional	6.43	5.26	1.17	0.000	0.99 Large

Based on Table 4.35 it can be seen that a practically significant difference exists between job levels with regards to Impact as the p value is below the 0.05 level. Table 4.36 shows that two practically significant differences are present between senior managers and junior managers, and between senior managers and specialists/professionals. It can be seen that both of these differences hold a large practical significance, as in both cases the Cohen's d is well above the 0.80 level.

Table 4.36 demonstrates that senior managers have more Impact in the workplace than junior managers as well as when being compared to specialists/professionals, in terms of their mean scores.

The table below illustrates the ANOVA results for Psychological Empowerment according to job level.

Table 4.37: ANOVA results for Psychological Empowerment according to job level

Source of Variation	SS	Df	MS	F	P- value
Between Groups	10.26	3	3.42	5.926	0.001
Within Groups	125.23	217	0.577		
Total	135.491	220			

Table 4.38: Tukey results for Psychological Empowerment according to job level

Job Level 1	Job Level 2	M1	M2	Diff. M1-M2	Tukey P-value	Cohen's d
Senior Management	Junior Management	6.36	5.63	0.73	0.02	1.57 Large
Senior Management	Specialist/ Professional	6.36	5.89	0.47	0.00	0.99 Large

Based on Table 4.37, a practically significant difference exists between Psychological Empowerment and job level, as the p value is below the 0.05 level. Table 4.38 shows that two practically significant differences are present between senior managers and junior managers, as well as between senior managers and specialists/professionals. Both differences are indicative of a large practical significance, as $d > 0.80$. Table 4.38 demonstrates that senior managers are more psychologically empowered in the workplace than junior managers as well as when being compared to specialists/professionals, in terms of their mean scores respectively. These findings were the only significant differences which were found between job level with regards to the factors of Psychological Empowerment, where none were found for EQ.

It is important for the reader to note that Psychological Empowerment and EQ are measured as a whole due to the fact that one overall score can be provided for each, as a total Psychological Empowerment and total EQ score. On the other hand, for the RPQ, a single

score cannot be allocated as each preference is individual in nature. Therefore, RPQ is split into its six core sub-factors. In order to conduct regression analysis, a four-step method was used. The results of each step will be discussed below.

4.5.3.1 Regression Analysis step 1 results

Kenny (2016) states that step 1 of the four-step regression analysis process is used to show that an effect does exist between X and Y, namely between Psychological Empowerment and the RPQ factors. In order for this effect to be significant, it should be below the 0.05 significance level. For the purpose of the regression analysis test, the sub-constructs comprising Financial Rewards have been separated into their sub-constructs respectively, as seen in these tests to follow as Base Pay, Contingency Pay and Benefits. Table 4.39 below illustrates the results of this step.

Table 4.39: Step 1 regression analysis results

Predictor	Dependant	Coefficients		Constant	Slope
		Constant	Slope	t-slope	p-slope
Psychological Empowerment					
	Base Pay	3.686	0.071	1.265	0.207
	Contingency Pay	2.689	0.246	5.006	<0,001
	Benefits	3.643	-0.086	-1.153	0.250
	Performance and Career Management	3.843	-0.034	-0.638	0.524
	Quality Work Environment	3.848	-0.002	-0.052	0.959
	Work/home Integration	3.055	0.024	0.371	0.711

It is clear from this table above that only the factor of Contingency Pay was found to be significant to Psychological Empowerment, as seen in the orange cell, whereas the other factors fell above the < 0.05 significance level. Mediation can thus be predicted for this factor.

4.5.3.2 Regression Analysis step 2 results

Step 2 of regression analysis proves that the dependent variable, the RPQ factors, are correlated with the mediating variable of EQ (Kenny, 2016). The significance level was once again set to 0.05. Table 4.40 to follow shows the result of this step.

Table 4.40: Step 2 regression analysis results

		Coefficients		Inference		Slope
Predictor	Dependant	Constant	Slope	t-stat	p-value	
Emotional Intelligence						
	Base Pay	2.462	0.430	4.494	<0,001	
	Contingency Pay	2.826	0.349	3.922	<0,001	
	Benefits	0.720	0.627	4.965	<0,001	
	Performance and Career Management	1.404	0.582	6.654	<0,001	
	Quality Work Environment	2.514	0.344	4.712	<0,001	
	Work/home Integration	1.065	0.556	5.121	<0,001	

It is apparent from the table above that all correlations between the factors of the RPQ and EQ were found to be significant as all p slopes were less than the significance level of 0.05. This indicates that EQ serves as a predictor for all of the factors of the RPQ, but because EQ was also found to be significant to Contingency Pay, as indicated in the orange cell, the researcher could continue onto step 3 to further prove EQ as mediation for this factor.

4.5.3.3 Regression Analysis step 3 results

Kenny (2016) notes that in step 3 the independent variable is controlled so that it may be deduced as to whether a correlation is also present between the dependent variable and the mediating variable.

For the purpose of regression analysis and further testing of mediation in this step, Psychological Empowerment was set as the predicting variable and Emotional Intelligence as the mediating variable. The significance level was set to 0.05.

Table 4.41: Step 3 regression analysis results

Predictor	Dependant	Constant	Slope	t-slope	p-slope
Psychological Empowerment	Emotional Intelligence	4.148	0.481	4.177	<0,001

As the p slope is $< .0005$, it is clear that there is a significant correlation found between Psychological Empowerment and EQ. As significant correlations were found between variables at all steps, the researcher could continue onto the final step.

4.5.3.4 Regression Analysis step 4 results

The fourth and final stage of regression analysis involves attempts to prove that the mediating variable (EQ) acts as a mediator between the X (Psychological Empowerment)

and Y (RPQ) variables. Additionally, if the correlation between the mediating variable and the dependent variable are found to be significant, this suggests partial mediation, whereas if it is found to be non-significant, full mediation is then implied (Kenny, 2016).

In this final step, the researcher illustrates that the variable of EQ is mediated through Psychological Empowerment when predicting Contingency Pay, as a factor of the RPQ, which is the dependant variable.

Table 4.42: Step 4 regression analysis results

		Coefficients		Constant	Slope
Dependent	Predictor	Constant	Slope	t-slope	p-slope
Contingency Pay	Emotional Intelligence	3.161	0.360	3.125	0.002
	Psychological Empowerment		0.349	4.134	<0,001

From the table above, it can be deduced that partial mediation of the EQ variable exists between Psychological Empowerment to Contingency Pay, as the correlations held to be significant in this step.

Therefore, based on these regression analysis results, the model can be partially accepted. The model associated to the findings of the regression analysis is presented below in figure 4.6. The reader should be aware that the dotted arrow indicates the partial mediation that was found. This is shown through H16, as Contingency Pay forms part of Financial Rewards, as a Reward Preference.

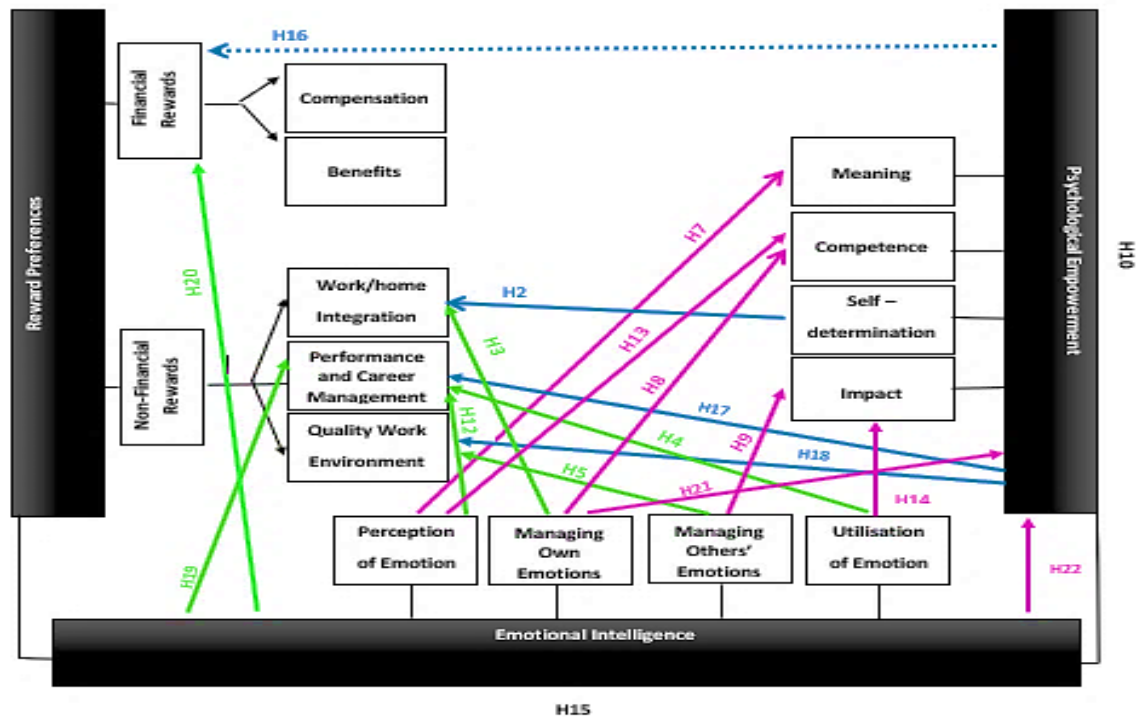


Figure 4.6: Accepted theoretical model

4.6 Hypothesis testing

The hypotheses have been grouped in accordance to their corresponding construct below. Each hypothesis will now be tested, in relation to the findings presented in this chapter.

4.6.1 Hypothesis 1

H1 stated that Reward Preferences vary according to job level. This study has shown that statistically significant differences exist according to Contingency Pay and job level, as well as according to Benefits and job level. Table 29 shows that contingency pay has a p value of 0.014 and Table 4.31 indicates that Benefits has a p value of 0.043, both of which are below the 0.05 significance level. Based on this, H1 is partially accepted.

4.6.2 Hypothesis 6

H6 stated that Psychological Empowerment varies according to job level. Based on the ANOVA results as seen in Table 4.37. It is evident from Table 4.38 that differences exist between senior managers and junior managers, as well as between senior managers and

specialists/professionals, both with the p value being below the required significance level of 0.05. Thus, this hypothesis is accepted.

4.6.3 Hypothesis 16

H16 stated that respondents exhibiting high levels of Psychological Empowerment prefer Financial Rewards. This study has shown that there are statistically significant correlations between every factor of the PEQ and the factor of Contingency Pay of the RPQ, where there are also select correlations between the factors of the PEQ to Base Pay and Benefits, all of which comprise Financial Rewards (See table 4.25). The overall total correlation between Psychological Empowerment and Financial Rewards indicates a statistically significant relationship of 0.112 which is above the required significance level. This is further supported in Table 4.39 of the Regression Analysis. Thus, H16 is accepted.

4.6.4 Hypothesis 3

H3 stated that respondents who are able to Manage their Own Emotions prefer Work/home Integration as a reward. Table 4.26 shows that a correlation is found between these two factors as the correlation coefficient is 0.228 which is above the significance level. This relationship is not practically significant as it is below 0.30. Thus, H3 may still be accepted.

4.6.5 Hypothesis 4

H4 stated that respondents who are able to Utilise their Emotions effectively prefer Performance and Career Management as a reward. A statistically significant relationship does exist between the factors of Utilisation of Emotion and Performance and Career Management, as the correlation coefficient is 0.330, which is above the required significance level. It can be seen that there is a practically significant relationship between these factors as the correlation coefficient is also above the 0.30 level. Thus, H4 is accepted.

4.6.6 Hypothesis 5

H5 stated respondents who can effectively Manage the Emotions of Others' prefer Quality Work Environment as a reward. Statistically significant relationships exist between all of the factors of the RPQ and SSEIT as the correlation coefficient is above the required

significance level. While this relationship is not practically significant as it is below the 0.30 level, it still proves that a relationship is present. Thus, H5 is accepted.

4.6.7 Hypothesis 12

H12 stated that respondents who can effectively Perceive their Own Emotions prefer Performance and Career Management as a reward. This study has shown that practically significant relationship exists between all of the factors of EQ to the factor of Performance and Career Management, as seen in Table 4.26. The correlation coefficient is 0.314 between the factors of Perception of Emotion and Performance and Career Management, which is above the required significance level of 0.100. It can be seen that there is also a practically significant relationship between these factors as the correlation coefficient is also above the 0.30 level. Thus, H12 is accepted.

4.6.8 Hypothesis 19

H19 stated that respondents with a high EQ level prefer Performance and Career Management as a reward. The findings of this study have indicated that there is a practically significant relationship found between EQ and Performance and Career Management, as seen in Table 4.26, as the coefficient is above the significance level of 0.30. To support that the respondents did demonstrate high EQ levels, Table 4.18 showed that overall respondents reported a high mean score for their EQ level, which is also supported by Table 4.19, which shows that respondents answered moderately for their EQ, therefore signifying moderately high levels of EQ. Based on this, H19 is partially accepted.

4.6.9 Hypothesis 20

H20 stated that Respondents with a high EQ level prefer Financial Rewards. This study has revealed that a practically significant relationship exists between EQ and Financial Rewards, as the r coefficient is above the required significant level, as seen in table 4.26. Furthermore, as presented in Table 4.18, respondents reported an overall mean score for EQ of 3.84, which fell within the high category group (3.5-5.0) for EQ and in Table 4.19, respondents answered moderately with 80.5%, therefore displaying moderately high levels of EQ. Based on this, H20 is partially accepted.

4.6.10 Hypothesis 7

H7 stated that Meaning is positively correlated to Perception of Emotion. This study proved that a statistically significant relationship does exist between Meaning and Perception of Emotion owing to the fact that the r coefficient of 0.211 is above the significance level of 0.10 (see Table 4.27). Therefore, H7 is accepted.

4.6.11 Hypothesis 8

H8 stated that Competence is positively correlated to Managing One's Own Emotions. Based on Table 4.27, it is clear that a correlation does exist between Competence and Managing Own Emotions as the r coefficient of 0.363 is above the required 0.10 level. This correlation is also practically significant as it is above 0.30. Thus, H8 is accepted.

4.6.12 Hypothesis 9

H9 stated that Impact is positively correlated to Managing the Emotions of Others'. Table 4.27 shows that a correlation is found between these two factors as the correlation coefficient is 0.140 which is above the 0.10 significance level. This relationship, however, is not practically significant as it is below 0.30. However, H9 may still be accepted.

4.6.13 Hypothesis 13

H13 stated that Competence is positively correlated to Perception of Emotion. As can be seen from Table 4.27, a statistically significant relationship is present between the factors of Competence and Perception of Emotion as the r coefficient of 0.127 is above the required level of 0.10. While this relationship is not practically significant as it is below the 0.30 level, it still demonstrates that a relationship is present. Therefore, H13 is accepted.

4.6.14 Hypothesis 21

H21 stated that the experience of Psychological Empowerment is positively correlated to Managing Own Emotions. As can be seen from Table 4.27, a practically significant relationship exists between Psychological Empowerment and Managing Own Emotions,

as the r coefficient of 0.357 is above the required significance level of 0.30. Therefore, H21 is accepted.

4.6.15 Hypothesis 22

H22 stated that the experience of Psychological Empowerment is influenced by a respondent's EQ level. Based on Table 4.27, it is evident that there is a statistically significant relationship found between Psychological Empowerment and EQ, with an r coefficient of 0.272, falling above the required significance level. Thus, H22 can accepted.

4.6.16 Hypothesis 10

H10 stated that respondents within investment banking experience high levels of Psychological Empowerment. Based on Table 4.15, it is clear that overall investment banking professionals and managers are 55% more empowered than the norm, which is confirmed by Table 4.17 showing that overall 152 respondents answered positively for Psychological Empowerment with 68.8%, which falls within the high/positive category group. Therefore, based on the evidence presented, H10 is accepted.

4.6.17 Hypothesis 15

H15 stated that respondents within Investment Banking have high levels of EQ. It can be seen from Table 4.18 that overall respondents reported a mean score EQ of 3.84, which fell within the high category group (3.5-5.0) for EQ. This is also supported by Table 4.19, which shows that respondents answered moderately with 80.5%, therefore demonstrating moderately high levels of EQ. Therefore, based on this, H15 is partially accepted.

4.6.18 Hypothesis 11

H11 stated that the EQ level of an individual varies according to job level. According to this study's ANOVA results, no significant differences were found for EQ according to job level. Based on this, H11 is rejected.

4.6.19 Hypothesis 14

H14 stated that Impact is positively correlated to Utilisation of Emotion. Table 4.27 shows that no relationship is present between these factors as the r coefficient is 0.066, which is below the required significance level of 0.100. Thus, H14 is rejected.

4.6.20 Hypothesis 2

H2 stated that respondents who exhibit high levels of Self-determination prefer Work/home Integration as a reward. Table 4.25 shows that there is no correlation found between these two factors as the correlation coefficient is -0.011, which is indicative of a negligible relationship as it is below the 0.10 significance level. Therefore, this hypothesis is rejected.

4.6.21 Hypothesis 17

H17 stated that respondents exhibiting high levels of Psychological Empowerment prefer Performance and Career Management as a reward. This study has shown that there are no correlations found between the factor of Performance and Career Management and all of the factors of the PEQ, as they all fall below the required significance level of 0.10, as seen in Table 4.25. Therefore, H17 is rejected.

4.6.22 Hypothesis 18

H18 stated that respondents with high levels of Psychological Empowerment prefer Quality Work Environment as a reward. Table 4.25 provides evidence that shows that no significant relationships were found between Psychological Empowerment and Quality Work Environment. Thus, H18 is rejected.

4.7 Conclusion

To summarise, it has been shown that thirteen hypotheses were fully accepted, whereas four were partially accepted and five were rejected. The results of this study have provided invaluable insight into the relationships found between the various constructs, as well as practical insight into the differences between job levels. The chapter to follow will discuss the implications and conclusions that can be drawn from these findings.

CHAPTER FIVE

DISCUSSION AND IMPLICATIONS

FOR THE INVESTMENT BANKING INDUSTRY

5.1 Introduction

The previous chapters have highlighted on the relevant theory, methodology and results related to this study. This chapter will include a discussion of the hypotheses and report on other meaningful findings. It will also include implications, which can be derived from the results, as well as recommendations to the investment banking industry within South Africa. The limitations of this study will also be discussed in this chapter to follow.

5.2 Discussion of the results

The results of this study indicated that the majority of the investment banking employees that were sampled have high levels of psychological empowerment, as well as a moderately high EQ level. Furthermore, it is clear from the findings that this sample also has a strong preference for Financial Rewards. Moreover, the majority of the sample demonstrates high levels of Perception of Emotion, Managing Own Emotions and Utilisation of Emotion, with Managing Others' Emotions, falling slightly lower overall. The following discussion will outline and discuss the results of the various hypotheses and will also highlight on other significant findings which emerged between the factors of the RPQ, PEQ and the SSEIT, as well as within the regression analysis.

5.2.1 Hypotheses outcomes

The researcher will discuss the findings of this study below, as they relate to the hypotheses that were accepted and rejected, in the section to follow.

Hypothesis 1, which was partially accepted, stated that Reward Preferences vary according to job level. Chiu, Luk and Tang (2002) state that employees tend to view the financial rewards that they receive as an indication of their value within an organisation. This study has shown that differences exist according to Contingency Pay and Benefits for this sample group specifically. Mathis and Jackson (2004) are of the belief that compensation rewards

people in terms of performing organisational work through pay, incentives and benefits. The researcher states that this implies that as an employee progresses in their career, they expect to be remunerated in line with their position, level of expertise and their respective life-stage that they find themselves in. This therefore aligns with the findings of the present study partially accepting Hypothesis 1, in terms of the differences reflected for certain Financial Rewards according to job level.

Hypothesis 6, which was accepted, stated that Psychological Empowerment varies according to job level. Armstrong and Brown (2009) emphasised that as an employee moves up in their career, they see themselves as being able to deal more competently with the demands of the job and as though they are contributing to the success of the organisation through their level of expertise. The researcher notes that while psychological empowerment is manifested intrinsically for each and every individual, it can be enhanced as one progresses in their career due to an increased span of authority and control. Therefore, the present study aligns with the above.

Hypothesis 16 was partially accepted and stated that respondents exhibiting high levels of Psychological Empowerment prefer Financial Rewards. This preference may be attributed toward the desire to achieve personal success through self-reliance, competition and financial gain, which manifests itself into the experience of psychological empowerment in the workplace (Triandis et al., 1988). Additionally, this study has shown the correlation found between Financial Rewards and Psychological Empowerment to be statistically significant. This finding is in line with Rose (2011), who stated that individuals naturally indicate a preference for cash over a non-cash reward. This hypothesis was further supported through this study's Regression Analysis results, showing significant findings between Psychological Empowerment and Contingency Pay as a reward.

Hypothesis 3 stated that respondents who are able to Manage their Own Emotions prefer Work/home Integration as a reward. This hypothesis which was accepted implies that when considering the variations in an employees' performance at work, has shown over time that work and family are both sources of emotional growth and support as well as that of burden and strain (Barnett, 1998). This is further owed to the belief that EQ is related to managing emotions well, and therefore it is expected that one will show higher performance by

avoiding the effect of negative emotions and thereby increasing their positive emotions (Wong & Law, 2002). Therefore, poor emotional management, can create tension in ones' home life, especially when an imbalance already exists. As a result, based on this study's findings, the researcher suggests that these employees have preference over securing better work-life integration in their lives. The findings of the present study support the above statements of Barnett (1998) and Wong and Law (2002).

Hypothesis 4 was accepted and stated that respondents who are able to Utilise their Emotions effectively prefer Performance and Career Management as a reward. Those who are able to utilise their emotions effectively are generally more confident that they will cope when presented with numerous challenges and that they can channel their emotions positively into something of value (Mayer et al., 2004). Therefore, the researcher suggests that if individuals are able to utilise their emotions in a positive way, it places them in good stead to excel in their careers. James (personal communication, 30 June 2018) states that investment banking is similar to leadership in most organisations, where analytical skills get you in the door but EQ and how you choose to use it enables you to succeed at the highest levels. Therefore, it is evident that this study's sample group has a preference over Performance and Career Management, as they are more emotionally equipped and motivated to take their performance to new heights. This correlation was strongly significant in this study's findings.

Hypothesis 5, which was accepted, stated that respondents who can effectively Manage the Emotions of Others' prefer Quality Work Environment as a reward. Most employees express a need to be emotionally supported by their supervisors, co-workers and clients, regardless of their job status (Robbins, 2002). In accordance to this, this author states that having adequate emotional support, respectful co-workers and harmony found in one's work environment is a result of successful human interactions made within an organisation. Therefore, the researcher states that in order to achieve such harmony within any organisation, individuals need to successfully manage the emotions of others through each and every encounter, as this influences the level of quality experienced within the working environment. This is further supported by Weis and Arnesen (2007) who state that EQ and the ability to manage various emotions is a useful source of information that helps one

make sense of and navigate their social environment. Thus, making this a desirable reward for individuals who are able to regulate and manage the emotions of others' well. This study has supported this correlation, however the sample reported on a slightly lower ability to Manage the Emotions of Others' well, which justifies their preference for wanting this reward in their workplace.

Hypothesis 12 was accepted based on evidence provided in this study and stated that respondents who can effectively Perceive Emotions prefer Performance and Career Management as a reward. Patton (1998) states that understanding emotions could lead to activities that include a better prioritisation and clearer understanding of your own needs and goals. The researcher of the present study suggests that having the ability to accurately discern and break down the root cause of certain emotions experienced, as well as knowing how to translate the behavioural traits of others into a more relatable frame of reference, could lead to individuals being more susceptible to progress in their careers, receive feedback in a more constructive way, and ultimately become more energised in actualising their full potential. Therefore, this explains why these factors were found to be strongly correlated in this study.

Hypothesis 19 was accepted and stated that respondents with a high EQ level prefer Performance and Career Management as a reward. The success of one's performance in the workplace is based upon achieving certain objectives, which is greatly dependent on the presence of EQ among individuals with high motivation (Patton, 1998). Additionally, the researcher states that individuals with a high EQ can motivate themselves to persist in the face of adversity, regulate their moods, perform more efficiently and keep stress levels at bay. Moreover, EQ has been associated as a strong predictor for educational and occupational performance (Hackett & Hortman, 2008). Therefore, these individuals would be more open to their development and performance needs, as they are more equipped to handle any emotional disturbances that they are presented with and are subsequently more determined to be challenged.

Hypothesis 20 was accepted and stated that Respondents with a high EQ level prefer Financial Rewards. Being able to manage your emotions is a valuable tool in the workplace (Bradberry, 2014). The researcher of this study states that it takes a certain level of

emotional proficiency to effectively perform key roles within an organisation and therefore employees seek to be remunerated accordingly in terms of what they associate their perceived worth to be. Therefore, Bradberry (2014) states that individuals with a high EQ expect to earn a greater salary, as they bring more value to their company, which may be one of the reasons suggesting why their preference for Financial Rewards was so significant in this study.

Hypothesis 7 stated that Meaning is positively correlated to Perception of Emotion. This hypothesis was accepted, which suggests that individuals' who experience their feelings more clearly and have confidence in their abilities to regulate its affect, are better able to sustain any positive emotional experience that is of value to them (Mayer & Salovey, 1997). Thus, individuals tend to seek out work roles that allow them to express their self-concepts, as this is associated with more meaningful work experiences (Mayer et al., 2004). The researcher suggests that the correlation between Perception of Emotion and Meaning could be attributed to those with a strong Perception of Emotion being able to comprehend the emotional cues expressed by others whom they are able to support, as well as any unspoken gesture that indicates that they have made a difference for others in the workplace. The understanding of the associated emotions that are derived from this level of awareness leads to feelings that one's work is meaningful and subsequently of value.

Hypothesis 8 was accepted and stated that Competence is positively correlated to Managing One's Own Emotions. According to Goleman (1995) EQ requires successful communication between the rational and emotional centers of the brain. This author states that the pathway of a message received by any stimuli travels through the limbic system, as seen in Figure 2.3, the place where emotions are generated. The researcher of this study notes that this therefore means that an individual will have an emotional reaction before the rational mind is able to respond. Therefore, if individuals are able to manage their emotional reactions and experiences brought about by a number of different stimuli in the workplace, they will be able to deal more competently with its effect that ultimately directs their performance. This correlation was proven to be significant in this study's findings.

Hypothesis 9 which was accepted in this study stated that Impact is positively correlated to Managing the Emotions of Others'. Ashforth (1989) states that individuals will more likely

have an impact through their work if they believe that they can exert influence over their work colleagues, the organisational system, as well as its outcomes. James (Personal communication, 30 June 2018) states that if you choose not to care about how people feel and what those feelings actually represent, you will not be able to obtain emotional buy-in, which then results in employees not doing what is needed to be done in the workplace. The researcher suggests that this correlation, which has been proven in this study, may be attributed to the fact that when individuals understand and can regulate the emotions of others in such a way that they are able to direct them into doing things, they will feel as though they are making more of an impact within the organisation.

Hypothesis 13 stated that Competence is positively correlated to Perception of Emotion and sufficient evidence was provided in this study to accept this hypothesis. Sadri (2013) states that being able to perceive emotions accurately, may lead to one constantly picking up on the subtle cues of others, as well as reading human behaviour. The researcher suggests that having a strong sense of Perception of Emotion may require individuals to constantly modify their own behaviour, by placing more emphasis on higher level thinking, which concerns attention and discriminability of feelings. Therefore, this process of having to modify one's behaviour, may lead to developing higher levels of competence for the employee. Thus, this provides an explanation as to why Perception of Emotion and Competence are correlated.

Hypothesis 21 was accepted based on the findings of this study and stated that the experience of Psychological Empowerment is positively correlated to Managing Own Emotions. Psychological empowerment refers to the actions taken to directly influence outcomes and includes the behaviours needed to manage stress and to readily adapt to change (Zimmerman, 1995). The researcher suggests that these underlying behaviours that are needed to experience psychological empowerment in the workplace, require individuals who can access and manage their own emotions, regulate their moods and control their reactions to certain situations that require an emotional response (Mayer, Salovey & Caruso, 2002). Therefore, the correlation found between Psychological Empowerment and Managing Own Emotions aligns to the above statement.

Hypothesis 22 which was accepted in this study stated that the experience of Psychological Empowerment is influenced by a respondent's EQ level. Mayer et al (2004) define EQ as the ability to rationalise emotions to assist thinking, which includes being able to accurately perceive emotions, access, generate and regulate emotions and to better understand emotional knowledge needed to promote emotional and intellectual growth. Therefore, this definition suggests that having a high EQ results in a profound understanding of one's self and of others. In addition to the above, EQ was found to strongly correlate to self-confidence (Sterrett, 2014). Those high in self-confidence should already have a stronger sense of psychological empowerment because one's degree of self-worth should reinforce one's confidence and willingness to take active control and authority over their work environment (Tharenou, 1979). The researcher suggests that individuals should fully understand themselves and their needs, as well as have the confidence to take initiative in actualising those needs, in order to experience the full effect of psychological empowerment in the workplace. However, in order for this to happen, they should possess a strong EQ. The present study has proven this relationship.

Hypothesis 10 was accepted and stated that respondents within investment banking experience high levels of Psychological Empowerment. According to Spreitzer and Quinn (2001) psychologically empowered individuals see themselves as having freedom and discretion, a personal connection to the organisation and are confident about their abilities, as well as see themselves as being able to make a difference in the organisational system in which they are embedded. The researcher of the present study mentions that while no previous studies have looked into this particular sample group's level of Psychological Empowerment, the results of this study have indicated that this hypothesis has proven to be true. Thus, the present study aligns with the above statement of Spreitzer and Quinn (2001).

Hypothesis 15 stated that respondents within Investment Banking have high levels of EQ and this hypothesis could be accepted. Mayer and Salovey (1997) state that individuals with a high EQ understand their own emotions, as well as those of others and have the ability to interpret, handle and monitor their emotions and those of others. The literature of this study highlighted on the most critical skills needed for investment banking

professionals and managers, which include strong interpersonal communication, analytical and people skills, as well as the ability to manage conflict (Weitz & Bradford, 1999). As seen through this study's results, the sample group possess moderate to high levels of EQ. Based on these findings, the hypothesis was partially accepted, due to the fact that there is evidently still room left for improvement.

This study has shown that the EQ level of an individual does not vary according to job level, thus disproving H11. According to this study's ANOVA results, no significant differences were found for EQ according to job level. The researcher suggests that it is not uncommon for EQ to remain relatively stable over time, especially in the absence of EQ training and development programs, which are essential as one advances in their career. Further to this, Louie, Coverdale and Roberts (2006) state that coaching emotional skills necessitates an environment that values and exemplifies these skills. Therefore, it could be suggested that in order to improve EQ, as one changes to a new job level, a supportive learning environment is required before any further intervention and EQ training can take place.

Interestingly, Impact was seemingly found to not be correlated to Utilisation of Emotion, as H14 was rejected. These findings were contrary to what was suggested in literature which stated that utilising emotion involves the degree to which individuals can successfully express their feelings, thereby allowing them to be used as an essential part of daily behavioural actions, as well as during social interaction (Q-Metrics, 1997). Furthermore, Carmeli (2003) stated that positive attitudes, which stem from the manner in which we choose to utilise our emotions, have important effects on communicating and interacting with others. However, while this hypothesis may not have been accepted, various correlations did surface between different subscales of the PEQ and SSEIT.

H2, H17 and H18 were all rejected, which may be understood on the basis that this study's results having shown that the sample group has a strong preference for Financial Rewards over Non-Financial Rewards and therefore primarily experience enhanced levels of Psychological Empowerment through the presence of Financial rewards in the workplace.

Other significant findings which were found within this study will be discussed below.

5.2.2 Reward Preferences and Psychological Empowerment correlations

The findings of this study have shown that there are various relationships between the factors of the RPQ and the PEQ, all of which have been presented in Table 4.25.

While this was not a set hypothesis, a significant finding showed that a correlation exists between Base Pay and Competency, which was the only relationship found between Base Pay in terms of all of the factors of the PEQ. Liden et al. (2000) suggests that this may be caused by an employee completing job tasks by tapping into various skill sets, which leads to them feeling that they have an influence within an organisation through their competencies demonstrated. This may be suggestive of the fact that investment bankers, who are predominantly knowledge workers and experts in their field, expect to be remunerated according to their level of competency demonstrated on the job.

Additionally, Benefits were also found to correlate to Self-determination and Impact in this study. Providing employees with more flexible benefits and reward packages allow them to tailor their packages in such way that suits their personal motivations, work and leisure interests, career stage and domestic circumstances, thereby allowing for greater individualism in the workplace (Armstrong & Brown, 2009). This therefore logically illustrates the correlation found between Benefits and Self-determination. Some employees may prefer more tangible rewards, such as medical plans or maternity or paternity leave, whereas other employees may value stock options or retirement plan contributions (Mehta, Anderson & Dubinsky, 2000). Therefore, the researcher is of the belief that different employees' value various benefits differently and therefore as a result will see the value of their impact made within an organisation as being contingent upon the benefits assigned to them.

Not only was Contingency Pay found to correlate with all of the factors of the PEQ, as well as to Total Compensation, it was additionally found to be practically significant to the PEQ as a whole as well. These findings are in line with the notion proposed by Gkorezis & Petridou (2008), who stated that Contingency rewards can energise and empower employees in the workplace. This is supported by the proposition of Thomas and Velthouse

(1990) who state that the concept of power can be seen as a source of energy, which emphasizes the notion that to empower means to energise. Therefore, it can be concluded that Financial Rewards will lead to an employees' experience of Psychological Empowerment in the workplace. Moreover, contingent monetary rewards are seen to motivate individuals in order to improve their performance, thus it is more likely that employees will be more capable in performing their job tasks (Sharma & Gurvinder, 2008).

Therefore, it seems that Contingency Pay improves an individual's sense of competence and consequently affects their level of Psychological Empowerment. These findings contribute to the overall significant relationship found between total Financial Rewards and Psychological Empowerment. This is understandable as employees want to earn reasonable and fair market-related salaries, as money is representative of the most important incentive, when referring to its influential value in terms of an employees' perceived worth within an organisation (Manzoor, 2012).

These findings are not all that surprising as they can be attributed to the nature of the broader financial sector within which investment banking falls party to and could also be suggestive of a potential gap in reward offerings. The reason for this may be owed to the fact that investment bankers at large, are target driven and remunerated according to the size of their clients, and as a result prefer and are empowered by financial incentives, as handling money forms the crux of their entire career (Sashikala & Chitramani, 2017). The researcher notes that this however does not mean that the presence of Non-financial Rewards would not be appreciated should they be present or offered to these individuals, as they simply may just be overlooked or taken for granted, however for this particular sample they weren't found to be empowering.

The only finding between Non-Financial Rewards and Psychological Empowerment, was between Meaning and Work/home Integration. Wiley (1997) proposed that employees working in an environment that offers more job security and work-life balance, are more likely to have higher self-confidence and self-esteem. The researcher is of the belief that individuals who feel that their home and working lives are secure and in harmony with one another, are more likely to be motivated in fulfilling their purpose within their career.

5.2.3 Reward Preferences and EQ correlations

In addition to the correlations discussed above within the set hypotheses, Perception of Emotion was also found to be correlated to Base Pay, Contingency Pay and Benefits, however this will be explained as a whole in terms of the result indicated for total Financial Rewards, as seen in Table 4.26, as well as to Quality Work Environment and Work/home Integration.

The researcher is of the belief that these correlations can be explained in terms of what was previously mentioned, in that individuals with a high level of Perception of Emotion are effective in translating subtle cues and reading the behavioural traits of others and are therefore adjusting their own behaviour and mannerisms accordingly (Sadri, 2013). The investment bankers of this sample deal primarily with high net worth individuals and larger institutional clients (Lyons et al., 2007). It is therefore likely that they deal with an array of unique emotions of a diverse clientele during different business transactions. Therefore, the researcher suggests that these professionals would need to continually adjust their advising techniques to accommodate the different types of clients and their emotional needs in order to be successful and would therefore expect to be remunerated accordingly in terms of their level of proficiency in this regard, thus explaining the relationship found between Financial Rewards and Perception of Emotion. Furthermore, this will also ultimately determine how well they are able to work with others and how this effects their work environment, thus pointing to the relationship found between Perception of Emotion and Quality Work Environment. The researcher of the present study states that the same can be said for Work/home Integration, as individuals who have a high level of Perception of Emotion are able to identify and understand the onset of their own emotions and would therefore notice if there is any tension building or conflicting feelings, pointing to the need for Work/home Integration as a reward due to the state of their home lives, which would explain their resultant preference for this reward.

Further correlations were found between Managing Own Emotions to Financial Rewards, Performance and Career Management and Quality Work Environment. Mayer et al (2004) state that managing one's emotions is attributed to being self-aware, having impulse control

and understanding the effect that your emotions may have on others. Therefore, the researcher of this study reasons that individuals would gain in self-confidence, as they would understand and recognise their efforts made through their work, as well as the impact that they have on the success of the organisation. Moreover, as previously mentioned, self-confidence is closely linked to one's EQ (Sterrett, 2014). Therefore, the preference for Financial Rewards can be explained on the basis of individuals being confident about their perceived worth held within the organisation and the contribution they are making and therefore wish to be rewarded accordingly.

The correlation found between Managing Own Emotions and Performance and Career Management can be explained by the fact that when individuals become aware of their own emotions, they would notice when certain needs arise due their own performance causing emotional strain, or if there are certain competency areas that might need improving, or simply because their work is no longer stimulating and they are in need growth. The researcher highlights that this level of awareness may identify certain needs to be met, which may lead to desiring Performance and Career Management as a reward. According to Bedeian, Burke and Moffett (1988) when individuals are aware of their emotions, they would naturally be more aware of their own satisfaction or dissatisfaction in their work and home life. Further to this, obtaining higher scores on managing own emotions was positively related to the perceived quality of interactions (Lopes et al., 2006). Thus, explaining the correlation found between Managing own Emotions and Quality Work Environment as a reward.

The Management of Other's Emotions was found to be practically significant with Financial Rewards, Performance and Career Management and Work/home Integration, as seen in Table 4.26. Mayer et al (2004) states that Managing the Emotions of Others' refers to understanding the emotions experienced by others, the causes of such emotion and the relationship between various emotions displayed by others and how one should react to them. Therefore, the researcher proposes that being able to understand the emotions of others and accurately interpret the way others are feeling, may lead to investment banking professionals and managers being able to see the impact that they are making within the organisation. This can be seen through the clients whom they assist and whether they were

satisfied with the service provided or not. Therefore, the researcher notes that these individuals expect to be remunerated according to their level of proficiency and expertise in dealing with others to generate revenue for the company, thus explaining the correlation found between these two factors. The researcher suggests that an individual who has a high sense of Managing Others' Emotions well, will more easily be able to identify how to receive constructive feedback during performance appraisal without taking it personally or reacting badly based on the emotions conveyed by others (Fugate, 2013). These individuals will therefore have a better idea of what others require from them and choose to see this as an opportunity for personal and career growth. Thus, explaining the preference for this reward.

The correlation found between Managing the Emotions of Others' and Work/home Integration may be attributed to an individual understanding the feelings or grievances experienced by loved ones at home, as a result of strains taken by fully committing to one's job, this may therefore create a preference over having greater Work/home Integration as a reward offering within the workplace (Hayman & Rasmussen, 2013). The factor of Utilisation of Emotion was found to correlate with Financial Rewards, Quality Work Environment and Work/home Integration (See Table 4.26). When individuals utilise their emotions effectively and channel them into something positive, it may result in becoming more creative, wanting to assist others more, as well as devising innovative solutions to various problems (Mayer et al., 2004). In doing so, individuals may feel confident that their efforts are contributing to the overall success of the organisation and as a result prefer Financial rewards to justify their contributions made.

Utilisation of Emotion was correlated to Work/home Integration, as being confident that one can handle their own emotions and use them constructively, will equip individuals to take on a wider range of activities to assist with their current situation (Mayer et al., 2004). When investment banking professionals and managers channel their emotions into something positive by providing support, empathising with others, or by assisting clients who deal with risky transactions, indirectly effects the level of quality perceived within their work environment. Thus, substantiating a preference for obtaining a Quality Work Environment as a reward.

5.2.4 Psychological Empowerment and EQ correlations

Further to the correlations discussed above within the set hypotheses, Meaning was also found to correlate with Managing Own Emotions, Managing Others' Emotions and Utilisation of Emotion. As previously noted, individuals who are able to effectively manage their emotions, become more self-aware and have a thorough understanding of the impact of their emotions on others. The investment banking industry is known to be a high stress and fast-paced environment that deals with large sums of a client's money and therefore an investment banker is required to not only conduct risky business, but to also know how to conduct themselves to ensure that a client feels at ease with the level of professionalism offered to them (Arıcıoğlu, 2002). According to Thomas (2009), employees regard work as meaningful when provided with the opportunity to achieve something of value and contribute to the success of the organisation. Therefore, the researcher states that having greater self-awareness leads to these individuals realising that the work they do is of value not only toward the profitability of the organisation, but to the relationships formed between clients and colleagues as well. Managing Others' Emotions involves accurately assessing how one should react to the emotions of others (Sadri, 2013). Thus, the researcher states that how well an investment banking professional or manager deals with the emotions of others within the work environment, will determine the level of meaning derived from their job. This can be seen by being able to obtain the necessary emotional buy-in from clients to close a high-risk transaction or by directing colleagues to get a job done that aligns to the organisation's mission.

Utilisation of Emotion is referred to as the ability to use emotions to redirect attention to important events, generate emotions to facilitate decision making and harness various emotions in a more positive manner (Caruso et al., 2002). The researcher suggests that this correlation found between Meaning and Utilisation of Emotion can be explained by individuals being able to channel their emotions as a resource that can be used positively within the workplace, which will lead to individuals deriving greater meaning through the work that they do, as they are able to put their emotions and energy into good use. The factor of Competence was found to correlate with Managing the Emotions of Others' and Utilisation of Emotion. The former correlation can be explained by understanding that

when an individual knows how to appropriately manage the emotions of others', that is required on an ongoing basis due to human interaction, it may lead to one's work becoming more challenging and therefore presenting one with an opportunity to continuously build on their knowledge capital, skills, as well as on their level of competence (Renard, 2015). The latter correlation can be understood as individuals who can utilise their emotions, can benefit from this by using their emotions to cope with stress in a more positive manner or by facilitating thought to complete certain tasks (Mayer et al, 2004). In addition, utilising these experienced emotions can strongly affect one's thought processes by opting for certain information processing strategies to stimulate thought or to perform more specialised tasks (Lyons & Schneider, 2005). The researcher states that the above demonstrates not only how Competence is related to Utilisation of Emotion, but how this correlation is also pertinent for knowledge workers within investment banking, as innovative solutions to client-related issues and mechanisms to cope with stress are essential to performance.

The factor of Self-determination was found to correlate with Managing Own Emotions, Managing Others' Emotions and Utilisation of Emotion. It has been found that those who are able to manage their own emotions tend to be more self-sufficient in the workplace (Mayer & Salovey, 1997). The researcher suggests that these individuals are more likely to be assertive in the workplace and wish to follow their own ideals, which stems from having greater clarity and control over their own emotions and their impact within the environment. This therefore explains the correlation found between Self-determination and Managing Own Emotions. The researcher further states that an individual within investment banking who scores highly in both Self-determination and Managing the Emotions' of Others, would most likely know how to take the needed initiative to assist clients and work colleagues. These individuals would also know what is ultimately required of them on an emotional level in order to engage others to get the work done or to close an important business deal. Furthermore, feelings of self-direction are greatly aligned to a degree of self-control in setting one's own goals as well as its achievement (Armstrong & Brown, 2009). The correlation between Self-determination and Utilisation of Emotion can therefore be understood as those who are able to channel their emotions into something

positive in order to complete a job task, are more inclined and driven to do so based on their desire for exercising control within their work environment.

Finally, Impact was found to be correlated with Perception of Emotion and Managing Own Emotions. The researcher states that when individuals perceive their work to be meaningful, it means that they are acutely aware of their own emotions and believe that their personal contributions made through their work results in them making an impact within the organisation (Ashforth, 1989). Thus, explaining the correlation between Perception of Emotion and Impact. The researcher states that the correlation found between Impact and Managing Own Emotions indicates that when individuals are aware of their emotions, understands them and their respective influence that they have, they will be able to be more efficient in the work that they do and as a result will feel as though they are making more of an impact within their work environment.

5.2.5 Discussion on proposed theoretical model

The proposed theoretical model which was tested by means of regression analysis was partially accepted, as partial mediation was only shown for the RPQ factor of Contingency Pay.

The accepted model demonstrated in Figure 4.6 illustrates that a relationship does exist between Base Pay, Contingency Pay, Benefits, Work/home Integration, Performance and Career Management and Quality Work Environment and EQ, as well as between EQ and Psychological Empowerment, as shown through the Pearson's Product Moment Correlations results, in addition to the regression analysis findings. However, regression analysis showed that a significant relationship only exists between Contingency Pay, as a financial reward preference, and Psychological Empowerment, as explained in Section 5.2.2. Although no significant relationships were found between Psychological Empowerment and Non-financial Reward preferences, many correlations were still identified, all of which therefore resulted in the proposed theoretical model being partially accepted.

According to Goleman (1995) EQ largely shapes an individuals' behaviour and is strongly associated with their general well-being. Additionally, Cooper (1997) states that EQ is the ability to sense, comprehend and effectively utilise the power and insight of one's emotions as a source of energy, information, connection and influence. The researcher states, as previously mentioned, that the correlation found between the factors of the RPQ and EQ, as well as between Psychological Empowerment and EQ may be attributed to the fact that EQ allows for greater self-awareness in shaping an individual's emotional behaviour leading to the identification of certain needs to be met through preferring certain rewards over others, as well as predicting an individual's level of Psychological Empowerment experienced in the workplace.

In Section 5.2.3 the correlations between EQ and Reward Preferences were discussed. To reiterate, reward preferences refer to the individual needs that are met by either financial or non-financial rewards, or by a combination of both (Reilly & Brown, 2008). Thus, in order for individuals to feel that they are being rewarded in the way in which they prefer, they would first need to possess a strong EQ, which results in having greater awareness to better understand the underlying needs pointing to one's preference for certain rewards. As previously discussed in Section 5.2.1 EQ is strongly associated to having high levels of self-confidence in the workplace.

In support of this statement, psychological empowerment occurs when employees feel confident about their work roles in an organisation (Knol & van Linge, 2009). The behavioural component of psychological empowerment refers to the actions taken to directly influence outcomes and includes the behaviours needed to manage stress or to readily adapt to change (Zimmerman, 1995). The researcher mentions that EQ is demonstrated through having better insight into one's own intelligence and ways of thinking, which is translated into one's behaviour that influences the level of Psychological Empowerment that is ultimately experienced.

Since the researcher has expanded on all of the relationships which were found between the various factors within this study, the ANOVA results will now be discussed below.

5.2.6 ANOVA results

ANOVA revealed a number of differences between job levels with regards to Reward Preferences and Psychological Empowerment, however none were found for EQ.

Table 4.29 showed that senior managers prefer Contingency Pay as a reward more than junior managers. Based on this, it can be understood that the more senior one becomes in their career, the more competence they gain through years of experience. Therefore, senior managers expect to be paid more according to their level of seniority and the impact they make within the organisation in terms of their performance and demonstrated skills. Whereas, junior managers are still starting out with their careers and are not expected to be as proficient as someone with more experience. It was found that a difference exists between senior managers and junior managers in terms of Benefits (Table 4.31). The difference showed that senior managers have a greater preference for Benefits as opposed to junior managers. The researcher notes that the reason for this could be attributed to the fact that as you get older, the reality of needing a pension and retirement fund becomes greater, whereas junior managers are more concerned with having an income that is substantial enough to cover their basic expenses. In Table 4.33 a difference was shown between senior and junior managers, in terms of Self-determination. The findings indicated that senior managers obtained higher levels of Self-determination, when compared to junior managers. The researcher did not find this as surprising, as this may be attributed to the fact that employees with higher levels of seniority are granted more personal freedom and discretion than lower level managers.

Further differences were found for Impact between senior and junior managers, as well as between senior managers and specialists/professionals. The researcher explains this difference on the basis that senior managers tend to be more influential in the workplace due to their span of control and level of authority, which explains why they report on higher levels of Impact in the workplace than junior managers and specialists/professionals, who's level of impact may be more limited. With regards to Psychological Empowerment, significant differences were also found as seen in Table 3.37. This difference was shown between senior and junior managers and between senior managers and

specialists/professionals, in terms of their level of Psychological Empowerment. The researcher believes that this may be attributed to senior managers experiencing more empowerment in the workplace as they are more experienced and have more power and authority at their disposal to impact upon a larger audience of people than do junior managers and specialists/professionals who generally work more independently and report to their superiors. However, this does not mean that junior managers and specialists/professionals aren't empowered within the workplace, as it simply points to the fact that Psychological Empowerment increases according to job level.

No significant differences were found with regards to EQ and its factors according to job level. The researcher suggests that this may be attributed to the fact that while EQ is not constant over time, it still seemingly does not shift according to a change in job level, which this study has shown. EQ can however change as one matures with time and from undergoing regular EQ training and development programmes (Goroshit & Hen, 2012).

The researcher will discuss the reliability of the study and the results of factor analysis in the next section to follow.

5.2.7 Reliability and factor analysis

All three of the instruments of the RPQ, PEQ and SSEIT obtained Cronbach's alpha values of over 0.70 for the majority of their factors, which is indicative of good internal consistency. The instruments additionally all received an overall Cronbach's alpha value of 0.90 and above, which demonstrates excellent internal consistency.

Construct validity was shown for the RPQ, PEQ and the SSEIT through the use of Pearson's Product Moment Correlations (See Tables 4.22, 4.23 and 4.24). The RPQ, PEQ and SSEIT all demonstrated construct validity, as all of the factors across each of the three instruments correlated with one another. Woods and West (2010) state that this proves their construct validity, as it indicates that the factors between each instrument correlate. For the RPQ, PEQ and SSEIT, Pearson's Product Moment Correlations showed correlations between the factors of each instrument.

The researcher will discuss the recommendations to the investment banking industry, as well as for future research and the limitations of this study in the next sections to follow.

5.3 Recommendations to the investment banking industry

Emotionally intelligent individuals are often described as well-adjusted, warm, genuine, persistent and optimistic individuals (Ivcevic, Brackett & Mayer, 2007). Moreover, EQ contributes to eighty percent of life and career success while only twenty percent is attributed to cognitive intelligence (Goleman, 1995). Additionally, EQ is also associated with positive characteristics such as prosocial behaviour, empathy, family and collegial relations, strong interpersonal relationships, as well as organisational-related outcomes, such as job satisfaction, organisational commitment, enhanced productivity and mutual trust (Carmeli, 2003).

It has also been shown through this study that investment banking professionals and managers were found to hold high levels of Psychological Empowerment. To summarise, psychological empowerment has been defined in literature as the experience of four cognitions that manifest intrinsically within the individual that occurs in response to the work itself (Spreitzer, 1995). It is of the belief of Spreitzer (1995) that strengthening the link between individual performance and rewards can result in increased feelings of empowerment by supporting feelings of competence and offering incentives for participating in and affecting decision-making processes at the workplace. On the other hand, Ashforth and Hemphery (1995) state that hiring people with a high EQ level may bring financial gain to an organisation. Therefore, in order to ensure that employees within investment banking demonstrate high levels of EQ and Psychological Empowerment, psychometric testing should be introduced into the selection and training and development process.

The researcher recommends formal assessments such as the Trait Emotional Intelligence Questionnaire (TEIQue), which views personality and emotional intelligence as a collection of personality traits, as well tests such as the EQ-i 2.0. It is valuable to use these tests alongside formal job interviews as they can assist in predicting one's EQ and ultimately their level of Psychological Empowerment within the workplace. Furthermore,

alongside adequate EQ training initiatives, it should be made known that organisations that are run in an emotionally intelligent manner are better able to impart emotional skills, since EQ should be demonstrated from a top down approach, starting with its roots in the department's vision and mission. This is vital to note as this study has shown that the EQ factors such as Perception of Emotion, Managing Own Emotions, Managing Others' Emotions and the Utilisation of Emotion, assist in an individuals' level of self-awareness, and in determining their needs through their reward preferences.

The findings of this study showed that investment banking professionals and managers included in the sample have moderately high levels of EQ and high levels of Psychological Empowerment, thus suggesting that this is not an immediate area for concern, however there is always room for improvement and growth. The researcher suggests that the investment banking industry should continually devise new ways to keep their employees feeling psychologically empowered and provide opportunities for EQ to be further developed, as well as ensure that the necessary reward system is in place that is in line to their needs. Good EQ training is hard to find in SA and could be extremely valuable to all corporates (James, Personal Communication 30 June 2018). Therefore, EQ training is invaluable to these employees who interact with clients and colleagues on an ongoing basis. During EQ training, these employees will be exposed to a number of different exercises used to help them recognise and label emotions, express and regulate emotions and understand emotions and their effect on others.

On the other hand, this study has shown that this sample group has a strong desire for extrinsic Financial Rewards, which are comprised of rewards that are tangible and of which are allocated when certain results are met, such as, bonuses, a pay increase, as well as stock options (Deci & Ryan, 2008). However, the researcher suggests that while this may point to the nature of the industry operated in, ongoing employee satisfaction surveys should still be conducted as humans are categorically complex beings. In addition, not all human needs are financial in nature and this should be monitored and adjusted accordingly through implementing flexible and effective reward systems to always ensure a high performing and motivated workforce. Lastly, the researcher suggests that purely focusing on financial incentives may be suitable in the short-term and may also sustain an employees' level of

Psychological Empowerment in the workplace, however over time it may deteriorate an employee's attitude and motivation if the presence of non-financial rewards is absent in the employment relationship.

This is supported by Pink (2009) who notes that the profit motive in society today is simply not enough to drive employees to perform in the long-run, as employees are complex and wish to be driven by a purpose that draws meaning from their careers. By allowing these individuals to utilise their analytical skills to think openly and creatively in a job that is perceived as personally meaningful, it more than likely will lead to an experience of self-development, enhanced well-being and personal excellence (Tablan, 2014).

5.4 Limitations of the study

This study is primarily exploratory in nature and to date is still the first of its kind, which placed a theoretical limitation on this study. Limited research is available on the constructs of Psychological Empowerment to the factors of EQ. Moreover, there is limited research linking Reward Preferences to both the factors of EQ and Psychological Empowerment, resulting in the researcher having to sometimes rely on her own insights to interpret the various relationships that were found.

Another limitation which existed can be seen in Pearson's Product Moment Correlations, as a number of the correlations were found to be only statistically significant and not practically significant. This means that even though such relationships exist, they were not always substantial in nature. Additionally, a further limitation was found in approaching investment banking professionals through the use of electronic mail, as many respondents did not engage, as unsolicited emails are not always welcomed and therefore the researcher had to use some of her own personal contacts to get in touch with the right audience.

This in itself still proved to be challenging, as within the investment banking industry, employees have more work to do than time on their hands and therefore weren't always willing to assist and this required the researcher to continuously search for more willing respondents in order to collect the necessary data.

Furthermore, Facebook, was also used in order to gauge exposure for this study, which allows a wide range of people who do not fit the target audience to access the questionnaire, thus posing a possible limitation. However, this was managed by the researcher closely watching the number of respondents' each day, as well as providing clear instructions to follow on both Facebook and the survey tool.

The final limitation of this study pertains to the CFA results, as the results of this study indicated unacceptable fits for each of the measuring instruments respectively.

The statistician of this study, Kirstie (Personal Communication, 30 October 2018), noted that this is not uncommon and the results shown could also just be a function of the data or a result of the sample size. This therefore may explain the reason as to why the CFA results were not as optimal as they have shown to be in previous research, for each of the three instruments respectively.

5.5 Recommendations for future research

The researcher suggests investigating the levels of intrinsic motivation found within the investment banking industry, as well as conducting a study considering the impact that intrinsic rewards may have on their performance.

The researcher notes that this may be an interesting added dimension to uncover within this industry, seeing as this sample group indicated a strong preference for extrinsic Financial Rewards. An additional limitation of the study was that a number of correlations were statistically significant rather than practically significant, especially between the constructs of Reward Preferences and Psychological Empowerment.

The researcher therefore recommends retesting this relationship using a different sample, particularly one that is less financial in nature, in order to establish a contrasting view and as to whether the correlations could be found to be practically significant when applied to a different sample.

Another area which the researcher believes may be valuable to investigate into is Reward Satisfaction, as well as the effect that rewards have on attraction and retention within the investment banking industry.

5.6 **Conclusion**

This dissertation aimed to investigate the relationships between Reward Preferences, Psychological Empowerment and EQ within the investment banking industry. Moreover, it aimed to look at differences between job levels. In order to achieve these objectives, a model was tested using regression analysis and inferential statistics were also conducted.

The research provided evidence that a number of correlations exist between the three constructs and their factors and that the theoretical model could be partially accepted. The accepted model shows that Psychological Empowerment predicts Contingency Pay and all of the factors of the RPQ are predicted by one's EQ. The model also shows, as confirmed through regression analysis, that Psychological Empowerment is also predicted by one's EQ. As seen in Table 4.25, Psychological Empowerment was found to be correlated to Total Financial Rewards. This is supported through regression analysis, as EQ is partially mediated through Psychological Empowerment when predicting Contingency Pay. For the remainder of the RPQ factors, EQ serves as a predictor and not as a mediator. This study has also revealed that investment banking professionals and managers have a strong preference for Financial Rewards over Non-financial Rewards. This may be attributed to this type of industry being primarily financial in nature, however the value of Non-financial Rewards should not be overlooked, as they too are vital in sustaining a high-performing and motivated workforce. Furthermore, while the EQ levels of this sample group were found to be moderately high and is therefore not a call for immediate concern, seasonal EQ training programmes should still be implemented consistently.

A limited number of significant differences were found for Contingency Pay, Benefits, Self-determination, Impact and Psychological Empowerment between senior and junior managers, as well as between specialists/professionals for Impact and Psychological Empowerment. It is clear from the dissertation that a valuable contribution has been made to the field of Reward Preferences, Psychological Empowerment and EQ, as EQ and Psychological Empowerment factors have not previously been linked to Reward Preferences. Thus, the results of this study hold important implications for the investment banking industry in South Africa and should therefore be applied across each organisation.

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ANNEXURE A: SAMPLE EMAIL AND QUESTIONNAIRE

Dear Respondent,

You are invited to participate in a study focusing on the relationship between reward preferences, psychological empowerment and emotional intelligence.

Reward preferences focus on the financial and non-financial rewards offered by an organisation. The factors of psychological empowerment will be investigated, such as meaning, competence, self-determination and impact will be looked at. Lastly, emotional intelligence refers to the cognitive ability to comprehend, recognise and appraise the meaning of emotions in order to rationally solve problems that may occur.

To participate in this study, you will complete an electronic survey which will capture your responses. Please note that participation in this study is voluntary and you may opt out at any stage by simply closing your browser. By completing the questionnaire, you will be providing consent to participate in the study. All responses gathered will be treated with strictest confidentiality and will only be used for the purposes of this research. Privacy and anonymity of the responses will be maintained. The Ethics Clearance number is **H-17-BES-IOP-026**.

It is important to note that participation in this study involves completion of some standardised tests (i.e. the Reward Preferences Questionnaire, the Psychological Empowerment Questionnaire and the Schutte Self-Report Emotional Intelligence Test) which will be used to gain insight into your level of emotional intelligence, perception of your work role, as well as your working environment. These tests are both valid and reliable and have been through an ethics clearance process. Feedback will be given upon request to you.

Should you wish to participate, please click on the following link:

<http://forms.mandela.ac.za/websurvey/q.asp?sid=1802&k=zadopbclyy>

Please contact the researcher or the supervisor below with any queries.

Kind regards,

Maria Michalopoulos

S213207699@mandela.ac.za

Michelle Renard (Supervisor)

Michelle.renard@mandela.ac.za

Section A: Demographic Information

1. Gender

Male		Female	
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2. Age

18-28		29-38		39-48		49-59		60+	
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3. Marital status

Married		Single		Divorced		Widowed	
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4. Level of education

Matric		Diploma		Degree		Post-graduate	
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5. What job level best describes your current position?

1. General Management		3. Specialist/ Professional	
2. Junior Management		4. Senior Management	

1. Please indicate to what extent the following statements below are:

[illegible]

- 1.1 Salary/wages
- 1.2 Annual performance bonus/incentive
- 1.3 Allocation of shares or share options
- 1.4 Medical aid benefits through a medical aid scheme
- 1.5 Retirement benefits (Provident fund, Financial advice etc.)
- 1.6 Disability benefits
- 1.7 Study leave for further studies
- 1.8 Sabbatical leave for professional development or research
- 1.9 A dedicated parking bay at work
- 1.10 Regular communication sessions about business progress with my manager
- 1.11 Constructive feedback on my performance
- 1.12 To rotate and experience different types of jobs
- 1.13 Growth opportunities (Career Development, Training, Promotion)
- 1.14 A coach or mentor in the workplace
- 1.15 Informal recognition for a job well done (e.g. a thank you note)
- 1.16 Formal recognition for a job well done (e.g. a fully paid trip overseas)
- 1.17 A performance contract with agreed objectives

		Extremely important	Important	Neutral	Unimportant	Not important at
1.18	Bursaries/funding for tertiary qualifications					
1.19	A good working relationship with colleagues					
1.20	A comfortable work environment					
1.21	A fitness centre at my place of work					
1.22	A convenience store at my place of work					
1.23	Personal safety and security in the workplace					
1.24	Quality co-workers in my team					
1.25	Subsidised tuition for employees' children					
1.26	The ability to work flexible working hours					
1.27	Merit increases linked to personal performance					
1.28	A market related salary					
1.29	Remuneration structured according to employees' own needs					
1.30	Increases linked to inflation					
1.31	Bonus allocations linked to personal performance					
1.32	Bonus allocations linked to a team's performance					
1.33	Financial assistance to buy a house					
1.34	Total control over work methods without a manager's interference					
1.35	Career path planning aligned with employees' personal interests and goals					

		Extremely important	Important	Neutral	Unimportant	Not important at all
1.36	A challenging job that test employees' abilities					
1.37	An international secondment					
1.38	Holiday programs for the children of employees					
1.39	An allowance/subsidy to care for an employee's financially dependent parents					
1.40	The ability to log into the employer's network from home					
1.41	A laptop and 3G card					
1.42	Phased in return to work after maternity/paternity leave					

Section C: Psychological Empowerment Questionnaire (PEQ)

Listed below are a number of self-orientations that people may have with regard to their work role. Using the following scale, please indicate the extent to which you agree or disagree that each one describes your self-orientation.

A. Very Strongly Disagree		E. Agree
B. Strongly Disagree	D. Neutral	F. Strongly Agree
C. Disagree		G. Very Strongly Agree

1. ____ I am confident about my ability to do my job.
2. ____ The work that I do is important to me.
3. ____ I have significant autonomy in determining how I do my job.
4. ____ My impact on what happens in my department is large.
5. ____ My job activities are personally meaningful to me.
6. ____ I have a great deal of control over what happens in my department.
7. ____ I can decide on my own how to go about doing my own work.
8. ____ I have considerable opportunity for independence and freedom in how I do my job.
9. ____ I have mastered the skills necessary for my job.
10. ____ The work I do is meaningful to me.
11. ____ I have significant influence over what happens in my department.
12. ____ I am self-assured about my capabilities to perform my work activities.

Section D: The Schutte Self-Report Emotional Intelligence Test (SSEIT)

Instructions: indicate the extent to which each item applies to you using the following scale:

1 = strongly disagree; 2 = disagree; 3 = neither disagree nor agree; 4 = agree;
5 = strongly agree

1. ____ I know when to speak about my personal problems to others
2. ____ When I am faced with obstacles, I remember times I faced similar obstacles and overcame them
3. ____ I expect that I will do well on most things I try
4. ____ Other people find it easy to confide in me
5. ____ I find it hard to understand the non-verbal messages of other people*
6. ____ Some of the major events of my life have led me to re-evaluate what is important and what is not important
7. ____ When my mood changes, I see new possibilities
8. ____ Emotions are one of the things that make my life worth living
9. ____ I am aware of my emotions as I experience them
10. ____ I expect good things to happen
11. ____ I like to share my emotions with others
12. ____ When I experience a positive emotion, I know how to make it last
13. ____ I arrange events others enjoy
14. ____ I seek out activities that make me happy

15. ____ I am aware of the non-verbal messages I send to others
16. ____ I present myself in a way that makes a good impression on others
17. ____ When I am in a positive mood, solving problems is easy for me
18. ____ By looking at their facial expressions, I recognise the emotions people are experiencing
19. ____ I know why my emotions change
20. ____ When I am in a positive mood, I am able to come up with new ideas
21. ____ I have control over my emotions
22. ____ I easily recognise my emotions as I experience them
23. ____ I motivate myself by imagining a good outcome to tasks I take on
24. ____ I compliment others when they have done something well
25. ____ I am aware of the non-verbal messages other people send
26. ____ When another person tells me about an important event in his or her life, I almost feel as though I have experienced this event myself
27. ____ When I feel a change in emotions, I tend to come up with new ideas
28. ____ When I am faced with a challenge, I give up because I believe I will fail*
29. ____ I know what other people are feeling just by looking at them
30. ____ I help other people feel better when they are down
31. ____ I use good moods to help myself keep trying in the face of obstacles
32. ____ I can tell how people are feeling by listening to the tone of their voice
33. ____ It is difficult for me to understand why people feel the way they do*

ANNEXURE B: ETHICS CLEARANCE FORM



Chairperson: Faculty RTI Committee
 Faculty of Business and Economics Sciences
 Tel. +27 (0)41 504 2906

Date: 29 September 2017
 Ref: H-17-BES-IOP-026 [Approved]
 Contact person: Dr Marle van Eyk

To: Ms S Shelton
 Nelson Mandela University
 Department of Industrial and Organisational Psychology
 South Campus

Dear Ms Shelton,

PROJECT PROPOSAL: THE RELATIONSHIP BETWEEN REWARD PREFERENCES, PSYCHOLOGICAL EMPOWERMENT AND EMOTIONAL INTELLIGENCE WITHIN THE INVESTMENT BANKING INDUSTRY IN SOUTH AFRICA (MASTERS)

PRP: Ms S Shelton
 PI: Ms M Michalopoulos

Your above-entitled application for ethics approval served at Fac RTI.

We take pleasure in informing you that the application was approved by the Committee. However, please note that the approval is on condition that permission to conduct the study is also obtained from the other relevant individuals, parties, organisations and/or role players to which the study pertains.

The ethics clearance reference number is H-17-BES-IOP-026, and is valid for three years. Please inform the Faculty RTI Committee, via the faculty representative, if any changes (particularly in the methodology) occur during this time.

Please inform your co-investigators of the outcome.

Yours sincerely

A handwritten signature in black ink, appearing to read 'MEyk'.

Dr M van Eyk
 Faculty of Business and Economic Sciences