

## References

Appelbaum, S., & Mackenzie, L. (1996). Compensation in the year 2000: Pay for performance? *Health Manpower Management*, 22(3), 31-39.  
doi:10.1108/09552069610125919

This article discusses multiple aspects of the importance of compensating employees appropriately, with particular focus on developing and matching the right type of compensation plan for the recipient, in order to achieve the best results in job performance. Applebaum also brings up the differences between individual and group performance compensation plans, and the pros and cons with each. The author has also been well regarded in his area of study, writing many articles related to the subject, so I feel confident that any bias introduced is minimal in this case. I am excited to use this article in my research because it is a timely, descriptive, and evaluative work that speaks directly to answering a good part of my research question.

Applebaum, S., & Kamal, R. (2000). An analysis of the utilization and effectiveness of non-financial incentives in small business. *Journal of Management Development*, 19(9), 733-763.  
doi:10.1108/02621710010378200

This article focuses on non-monetary compensation's effect on job satisfaction and performance, using small businesses as an example to explain potential advantages over large companies. The general thought is that large companies are not able to be as agile and accommodating to an individual whereas a small business is more apt to tailor an enrichment and benefits package to the employee. The authors are able to establish through quantitative/statistical

analysis of survey responses that given pay held at an average industry level and matched with high levels of satisfaction in enrichment, recognition, pay equity, and managerial skill that lends to the best results. I feel that this article is one of the strongest in identifying specific non-monetary forms of compensation and narrows down which factors provide the most positive effect. Based on this, I will be looking to using this article as a centerpiece to the argument to use non-monetary compensation more so than monetary compensation. Also, Applebaum's reputation as a theorist and his work as a professor of many years indicates to me that he is well-respected in his field, especially since he has had his work cited many times over in scholarly works. I feel that his bias in these studies should be minimal at worst.

Cameron, M. (1995). Rewarding for performance - Any real progress? *Journal of Compensation and Benefits*, 10(5), 60-63. Retrieved from <http://proquest.umi.com.ezproxy.umuc.edu/pqdweb?did=8774017&sid=10&Fmt=2&clientId=8724&RQT=309&VName=PQD>

This article is a survey-based analysis of higher-level, decision making employees and their opinions on where they can earn their employees trust and motivation to help their external clients. The general belief is that employees feel underappreciated/underrecognized because of the direct lack of impact on the monetary rewards they receive. The remedy from these higher-level employees is that companies today must earn the confidence of their employees through proper performance goal setting, creating degrees of performance, and finally paying accordingly for desired performance. I feel the author could easily be seeking the above for personal motivation, but I do not feel the writing to be skewed poorly. I like the argument of the author here as this is a good piece to

understand what the ordinary associate worker feels like. This will significantly add to the argument for both monetary and non-monetary compensation to be used together.

Chiu, R., Wai-Mei Luk, V., & Li-Ping Tang, T. (2002). Retaining and motivating employees: Compensation preferences in Hong Kong and China.

*Personnel Review*, 31(4), 402-431. doi:10.1108/00483480210430346

This article is focused on the Chinese culture's attitude towards specific types of compensation practices and narrows down what is preferred in their society. Two separate surveys are examined (one for Hong Kong, one for The People's Republic of China) to eliminate the possibility of one part of China skewing the results. The data shows that monetary compensation is the more highly regarded asset, while time off and other non-monetary benefits are prioritized after most monetary benefits have been given. There is potential bias when writing about your own culture from an international perspective, however, I agree with the author's assessment that these results are weighted towards monetary compensation because of the culture and economic factors. I think this serves as a great supporting study for making a better argument for monetary compensation.

Cissell, M. J. (1987). Designing effective reward systems. *Compensation and*

*Benefits Review*, 19(6), 49-55. doi:10.1177/088636878701900605

This article discussed monetary compensation from a different angle by addressing the concerns with misplaced reward, whether it be a monetary or non-monetary one. One of the main reasons that companies can produce bias against implementing a plan is because of the lack of understanding of the

employees' needs. Based on this, there is a misunderstanding of how to properly address the employees' needs and effectively link those with the goals and constraints of the company. The author addresses many of the common pitfalls that companies run into, and then provides solutions to avoid them. I think this article brings a unique opinion to my paper because it brings out the limits of answering the research question, and boils down that any one oversight can easily affect the opinion of both the executive making the decision and employee receiving the benefit (or lack thereof). I also feel that the author is providing more evaluative discussion, and based on his writings, he is not in a position to directly benefit or have apparent conflicts of interest.

Hammer, W. C. (1975). How to ruin motivation with pay. *Compensation Review*, 7(3), 17-27. Retrieved from <http://www.eridlc.com/index.cfm?fuseaction=textbook.chpt17>

This article argues that the standard "pay for performance" models can be mismanaged and can have the exact opposite effect on job performance than is intended. Examples of this include a perception that if strictly using a team-oriented method where the team lives or dies by its results, then a disgruntled feeling can erupt when one team member feels another doesn't "pull their weight". Hence, it leads to overall quality of work declining when used over a period of time. The author also addresses other examples of mismanagement and the problem with perception versus reality of the intended message being sent. Perhaps there is some personal bias involved from the author if a system like this failed him as well. While I don't agree with all of the author's examples, I believe that some of the examples have merit and further reinforces the responsibility of the organization to effectively choose the right combination of

monetary and non-monetary compensation, along with a appropriate combination of individual versus team reward packages. I think this piece reinforces that the individual versus team variable directly impacts whether monetary or non-monetary compensation choices are more effective.

Hijazi, S. T., Anwar, A., & Abdullah Mehmoob, S. A. (2007). Impact of non-financial rewards on employee motivation: A case of cellular communication service providing sector of telecom industry registered under PTA in Islamabad. *The Business Review, Cambridge*, 7(2), 272-277. Retrieved from <http://www.jaabc.com/brc.html>

This is an interesting article exploring different types of non-monetary compensation and what type of influence each has on motivation and performance. A study of telecommunication companies in Islamabad, India was conducted through statistical survey methods, finding that the non-monetary rewards studied did not have a positive effect on job performance. The non-monetary rewards studied by the authors included "Recognition, Responsibility, Meaningful Work, Autonomy, Opportunity to use and develop skills, Career opportunities, Quality of work life and Work-life Balance" (Hijazi, et al., 2007). My initial thought is that the findings of this study completely refute all of the other work that I have studied so far, but I think is because there will always be some sort of population that disagrees with the masses. Not to mention, I think because of the localization of the study in Islamabad, India, it produced some erroneous findings that could make it too biased. I may use this study as a supporting document to explain some variance, or I may simply do away with it because the study had too many limitations listed by the authors.

Hoffman, J., & Rogelberg, S. (1998). A guide to team incentive systems. *Team Performance Management*, 4(1), 23-32. doi:10.1108/13527599810212096

This article examines the different types of monetary reward programs for team-oriented companies have been using to remain competitive in their respective fields. The authors examine seven different formats for incentive programs and their impact on those teams. Their findings are basic in nature, but identify two important criteria when selecting an incentive system, namely team interdependence concerns and team type. Given the general review nature of this article, I would like to use this as supporting documentation to explain variables in the argument for using monetary over non-monetary compensation. The article also has a flow-chart figure that I would like to include in an appendix to my paper, which explains different goals of the organization and the commensurate style of compensation which would most impact those categories. On a side note, I don't feel that the author gave any indication that any bias existed, given the breadth of their discussion.

Hong, J., Yang, S., Wang, L., Chiou, E., Su, F., & Huang, S. (1995). Impact of employee benefits on work motivation and productivity. *The International Journal of Career Management*, 7(6), 10-14.

doi:10.1108/09556219510098064

This article focuses particularly on contrasting non-monetary rewards as a secondary means of compensation and the potential influence of their implementation. This survey-based study was focused on companies that had added benefit programs for their employees. Findings of the study included a continued stressing that monetary rewards were most regarded, but that non-monetary rewards would fluctuate in importance depending on gender, marital

status, education, and age. I think that the variables considered for non-monetary compensation are simple but important in nature. I also appreciate that sometimes it is as simple as someone who is younger and more naive may not make the best decision for them, versus someone who is older and wiser may have more experience to make a better decision. In other words, there is some human element to the outcome of these studies and hence, not everything can be predicted 100% accurately. Lastly, the authors have limitations and margins of error to account for in their study, but I did not see any personal bias that might indicate troublesome data.

Kanin-Lovers, J., & Boyle, J. (1994). Team incentives as a core management process. *Journal of Compensation and Benefits*, 10(1), 57-60. Retrieved from <http://proquest.umi.com.ezproxy.umuc.edu/pqdweb?did=51573&sid=2&Fmt=2&clientId=8724&RQT=309&VName=PQD>

This article is a small piece discussing American Express' compensation package and the beliefs behind their decisions. As a very focused, performance-based company, pay for performance is a style that the company embraces and utilizes throughout their different workforce divisions. The authors caution that it is important to not assume that applying their company philosophy to any company should make it more successful, but that in conjunction, the proper foundation must be introduced properly so that all buy into the program. I feel that this article will be a small piece in the overall scheme of the paper, and will at most be referred to once or twice maximum, simply because of the focused nature of the document. I also feel that there is potential bias for the authors in

believing that their philosophy is the best philosophy, since both authors work for the studied company.

Kanungo, R., & Mendonca, M. (1989). Evaluating employee compensation.

*Compensation and Benefits Review*, 31(3), 76-80.

doi:10.1177/088636878902100310

This article takes an approach of trying to understand from an organizational perspective about what employee compensation methods give the employer the most "bang for the buck" when it comes to employee performance. The research takes a different approach than most and focuses on intrinsic versus extrinsic rewards, noting that when broken down into these categories, different conclusions can be drawn. An action plan is discussed in detail based on these findings, but explains that it requires continual maintenance from management in that it must design, administer, review, and modify the plan when necessary, based on the changing needs of its organization. In terms of bias, it is generally non-apparent in the speech of the article, but there was reference made to financial support from the Quebec Department of Education, who could have had some say in the material. I like this article for the fact that it is theory-based and poses questions to get the audience thinking. For purposes of my paper, it can be introduced as another way of approaching the same issue, separating the motivating factors in a different way.

Kohn, A. (1993). Why incentive plans cannot work. *Harvard Business Review*, 71(5), 54-60. Retrieved from



<http://fiveanddone.wikispaces.com/file/view/Why+Incentive+Plans+Cannot+Work.pdf>

This article is written with a contrarian viewpoint compared to most literature on the comparison of monetary or non-monetary compensation choices. It also supports the separation of intrinsic versus extrinsic rewards in the study, but takes an oddly negative view that no additional benefit is received by adding an extrinsic reward for the employee. Interestingly, this article created much disagreement amongst the community reviewing it, but was viewed to have some merit because of the stir it created. This spawned multiple articles to be in response format to the last viewpoint stated. I strongly feel that the reasons stated by the author are radical, because there is too much evidence to refute what is already agreed upon. Perhaps some bias may exist because of the failure of a compensation program that he endured. I applaud the author for his efforts, but I think the statements made can only serve to be a "devil's advocate", rather than truth in theory. Based on this, it is apparent that the author tries very hard to disagree with the standard thought, but the reason why is generally unknown.

Kujawa, P. (2007). Private firms recognize value of cash bonuses. *Workforce Management*, 86(21), 11-12. Retrieved from <http://www.workforce.com/section/00/article/25/27/40.html>

This short article reinforces the idea that bonuses still hold an important place in overall monetary compensation packages offered by employers. Kujawa states evidence of companies offering support of their program by providing ongoing education and communication around how they (as an individual) make, break, or change the outcome of a financial bonus. However, the author makes note

that adding additional layers to the compensation packages is often not implemented, because it is difficult to make compromises and find a plan that works for everyone concerned. I think that while short in length, the author has some specific examples of companies that have had success and who have also struggled. I would have liked to have seen more on a company that has went through some of those struggles and how they overcame them to be better supporting evidence, but that was absent. That said, there is also potential bias of the author to consider as well, based in part because only very specific companies were addressed, rather than adding in comparisons of others in their industry, for example. It is possible she had some incentive to point out the specific companies discussed.

Laufer, A., & Borcharding, J. (1981). Using pay to motivate construction job performance. *American Association of Cost Engineers. Transactions of the American Association of Cost Engineers*, 1.6.1. Retrieved from <http://www.aacei.org>

This journal article specifically discusses how pay increases affect performance in construction-related jobs, due to some unsettling numbers that productivity in construction jobs has been on the decline. It employs the standard survey style of data collection, asking questions related to adding a financial reward for better job performance. Findings of the surveys indicated many positives besides just more productive workers, but that it could save long-run costs and time as well. This is a good supporting documentation article because it focuses on one specific industry and can be added to a list of other groups that believe the same. In terms of bias, I felt that this had the least potential because of the work roles of

the authors, and their findings simply supported a win-win situation for all concerned to work more efficiently.

Lawler, E., III. (1966). The Mythology of Management Compensation. *California Management Review*, 9(1), 11-22. Retrieved from <http://cmr.berkeley.edu>

This article discusses managerial monetary compensation practices, but does so based on knowledge and experience being deciding factors in differences, rather than more "pay for performance" models. There is a further uniqueness to the article by introducing and concluding that the idea of allowing a managing employee to choose compensation packages "a la carte" could be beneficial, within given constraints of the employing firm. These two ideas contrast in nature, with experienced-based ideas being very "old school" in nature, whereas an a la carte package would be unlike any standard ideals in corporate America today. The author is also discusses why pay secrecy does not work, and also refers to what role fringe benefits play in the overall package effectiveness. I like this article for some of its unique ideas and its willingness to not be bound by only traditional values. However, the belief that knowledge and experience should be the main factors in determining pay seem to be off-base, because it is commonly thought that it is what you do with that knowledge and experience that determines outcomes, rather than just simply possessing it that counts. Also from a bias standpoint, I did not feel that the author gave any indication of a motive behind his work. Based on all of this, I will most likely address this article as alternative ways of thinking, being somewhat supporting evidence.

Lowe, K., Milliman, J., De Cieri, H., & Dowling, P. (2002). International compensation practices: A ten-country comparative analysis. *Human Resource Management*, 41(1), 45-66. Retrieved from

<http://proquest.umi.com.ezproxy.umuc.edu/pqdweb?did=115164224&sid=8&Fmt=3&clientId=8724&RQT=309&VName=PQD>

This article is arguably a global study of monetary and non-monetary rewards practices, relating to ten separate countries/regions. The countries/regions included were: Australia, Canada, Peoples Republic of China (PRC), Indonesia, Japan, Republic of Korea, Mexico, Taiwan, the United States, and the region of Latin America composed of Costa Rica, Guatemala, Panama, Nicaragua, and Venezuela. The findings seem to indicate that taking an idealistic approach towards employees' ideas would go a long way to help streamline the process of finding the most effective practices for each company. Further, there is a consensus that borrowing from other countries practices and copying previous success may be functional, but not necessarily efficient. Instead, the idea to tailor a compensation package to the specific needs of the culture may be more costly in the short-run, but can provide substantial back-end return. I am interested in this article because it addresses a lot of information on multiple countries to give a broader examination to the review. While this is the initial step in this research, there were interesting foundational points made that I think could help the international perspective of my paper. I also felt comfortable relying on the ideas presented because of the standards that the authors are held to, and also that they are each professors at different universities.

McColl-Kennedy, J., Kiel, G., & Dann, S. (1993). Money or motivation?:

Compensating the salesforce. *Marketing Intelligence & Planning*, 11(1), 13-19. doi:10.1108/02634509310024137

This article discusses and compares the differences in monetary compensation between Australia and Great Britain. Given the British role and settlement in

Australian history, it would generally make sense that the styles of compensating the workforce would be at least similar. However, the authors find that there are vast differences due to the evolving nature of standards in society and law for companies to remain competitive. Keeping in mind, there is a slight potential for bias based on the region that the author most identifies with. I feel this article can be helpful in my argument to compare that two groups of the same origin have arrived at two very different ways of approaching the same issue. Hence, I feel these findings could potentially eliminate origin as an outcome-affecting variable and boosts that culture plays a larger role in how the issue is handled.

Mode, V. A. (1979). Making money the motivator. *Supervisory Management*, 24(8), 16. Retrieved from <http://proquest.umi.com.ezproxy.umuc.edu/pqdweb?did=1317352&sid=2&Fmt=2&clientId=8724&RQT=309&VName=PQD>

This article is a discusses of the pay for performance compensation systems and dissects general attributes of the system, bringing up limitations and benefits. The author introduces the idea that sometimes a bonus would serve as a "maintenance tool", rather than as a real motivator, basically because there are set expectations of the employee that a certain base will never change, hence, a limit on what positive performance can be generated. Discontent with organization of specific rewards is addressed, and timing of receipt of a reward can also be seen as negative because of the improper timing of issuance to employees. Mode concludes performance systems must have certain constraints to be initiated with them to remain successful, and that a constant communication portal must be present to educate and reassure employees. With respect to the author, bias does not seem to be an issue on this piece, as the author has

arrived at some common themes as others in his place have done before. I think this article falls in line with the other documentation and has some of the same basic ideas that other authors have brought up (functional administration systems, communication, modification & review). I will most likely use this article in a supporting role.

Murlis, H. (1994). The myths about performance pay. *Personnel Management*, 26(8), 18. Retrieved from <http://proquest.umi.com.ezproxy.umuc.edu/pqdweb?did=30790&sid=4&Fmt=2&clientId=8724&RQT=309&VName=PQD>

This article is a UK version of the monetary compensation debate and its use in the corporate world in a team-oriented workplace. The author points out that popular opinion of multiple organizations in Great Britain has been dissenting in nature in regards to cutting costs and being more simple in design. Murlis instead feels that more tailored and clear goals using pay for performance models would have much more chance of success based on her research. I feel that the article falls in line with a lot of what has been said previously, and only adds to the strength of the argument that a specific approach based on an organizations' employee needs is more effective than trying to use "blanket methods" to make a one-size-fits-all approach work consistently and efficiently. Because the author tends to support similar viewpoints held among other authors, I do not detect any specific bias on her part.

Wiley, C. (1997). What motivates employees according to over 40 years of motivation surveys. *International Journal of Manpower*, 18(3), 263-280. doi:10.1108/01437729710169373

This work is a culmination of many years worth of surveys of employees conducted at different time periods in history to further understand how time has impacted their views on motivating criteria in job performance and satisfaction. Considering time as a variable in the studies shows that monetary compensation held the highest rating, but other non-monetary factors such as recognition/appreciation, job stability, and potential for personal growth/promotion fluctuated and became more important. I think that this article is unique in that it presents a time element to the discussion, and also attempts to explain both monetary and non-monetary motivations for employees. Based on this, it becomes a very interesting article for my paper because I can use it for both arguments. I also feel this fact lends to the fact that general bias can be set aside because it would be hard for the author to benefit substantially, with some of the data coming from so long ago.