

**EXPECTATIONS, SELF-DETERMINATION, REWARD-SEEKING
BEHAVIOUR AND WELL-BEING IN MALTA'S FINANCIAL SERVICES
SECTOR**

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ABSTRACT

Despite the vast research on the productive aspect of rewards, little is known on how the changes in employees' behaviour, made to enhance their chances of achieving a reward, influence employee well-being. Previous work has failed to address the process of reward-seeking behaviour from an employee's point of view as the focus was on the motivational aspect of rewards. This thesis uses the case of Malta's financial institutions to examine the relationship between reward-seeking behaviour from bonuses and promotions and employee well-being by drawing on expectancy theory and self-determination theory.

To achieve its aims, this study adopts a qualitative approach, wherein 42 semi-structured interviews with employees and four interviews with human resources managers are conducted at financial institutions in Malta – two of which are small and medium-sized enterprises and one is a large-sized institution. Memos and diary notes are also used to complement the data collected from the semi-structured interviews. Overall, the results strongly support the idea that while almost everyone values rewards, employees differ in their willingness to engage in reward-seeking behaviour and its influence on well-being.

This thesis contributes to knowledge through the development of a theoretical model – the four quadrant reward-seeking behaviour – well-being model. This typology based model classifies employees into four main categories, namely, highly motivated, apathetic, work-life balanced and work-life imbalanced. This two by two matrix also led to another model that depicts reward-seeking behaviour and well-being as a non-sequential process. The findings have practical implications for human resources practitioners as they now have the capacity to visualise the actual employee mix according to the categories of the model and act on any significant gaps.

Keywords: reward, bonus, promotion, expectancy theory, self-determination theory, reward-seeking behaviour, employee well-being, financial institutions

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1 Introduction

Institutions aim to promote attitudinal and behavioural characteristics amongst employees, geared towards embracing the goals and objectives of the same institution (Baptiste, 2008). A fundamental organisational strategy to reach these goals and objectives is to develop reward mechanisms to achieve behavioural changes in employees (Cox, Brown & Reilly, 2010). Preceding from the above, this thesis's interest focuses on the restoration of employees' well-being to the centre of rewards since the cost of changing behaviour may have an impact on the well-being of that particular employee.

The crucial void identified by this thesis is that the existing literature does not directly link reward-seeking behaviour from bonuses and/or promotions with employees' well-being. On the contrary, literature emphasises how extrinsic rewards are used as motivators to increase the organisation's performance (Kroon, Van De Voorde & Timmers, 2013). Most research in this area has been conducted from the point of view of employers by looking at the beneficial and detrimental effects of rewards for organisations or else has concentrated on intrinsic rewards (Van Herpen, Van Praag & Cools, 2005).

Most often, motivational theories take a dimensional approach which differs from the way employees reflect on constructs and dynamics, which is typology based rather than dimension based (Vansteenkiste, et al., 2009). As yet, a person-centred approach of the effect of rewards on employees' well-being is an under researched area. The latter has been confirmed by Xavier (2014), who states that there is a need to include employees' perspective in research on rewarding. Hence, this thesis contributes significantly to the field in view that it gives the human factor its due importance rather than focusing on the rewards' potential to reach the institutions' strategic objectives.

Although employees are direct beneficiaries of this knowledge, line managers, leaders and human resource development practitioners also have interest in the results of this investigation. This is because they can stimulate optimal functioning at work through the understanding of changes in behaviour made by employees to enhance their chances of achieving a bonus or a promotion. This is achieved by the following research question:

How does the expectation and self-determination of earning a bonus and/or promotion influence employees' reward-seeking behaviour and well-being?

The primary aim of this thesis is to examine the relationship between reward-seeking behaviour from bonuses and promotions, and employee well-being in the financial services context by drawing on the expectancy theory (Vroom, 1964) and self-determination theory (Deci & Ryan, 1985, 2000, 2002, 2008; Ryan & Deci, 2000, 2001, 2006, 2008). The multifaceted nature of motivation provides the basis for integrating these two broad theories of motivation even though they have been viewed as distinct for several years.

On one hand, the expectancy theory postulates that an employee will choose among alternative behaviours by considering which behaviour will lead to the most desirable outcome (Vroom, 1964). On the other hand, self-determination theory specifies the fundamental causes, processes and outcomes of human thriving by conceptualising 'optimal motivation' and the conditions that support or thwart such motivation (Vansteenkiste & Sheldon, 2006).

The expectancy theory assumes that two equally valued goals with same expectancies for attainment will yield the same experience (Deci & Ryan, 2000). However, the expectancy theory does not specify exactly which rewards will motivate particular groups of employees (Parijat & Bagga, 2014) and thus this thesis fills this gap by selecting bonuses and promotions as the two extrinsic rewards under study. In addition, the expectancy theory has not yet been

analysed as a potential explanation for how changes in employees' behaviour enticed by extrinsic rewards affect employee well-being.

A study conducted by Sagiv and Schwartz (2000) found that when employees attain goals which are important to them, their personal well-being increases. In contrast, Ryan and Deci (2000) suggest that even highly efficacious people may experience less than optimal well-being, if they pursue and successfully attain goals that do not fulfil the basic psychological needs of autonomy, competence and relatedness. Thereby, the self-determination theory argues that fluctuations in need satisfaction directly predicts fluctuations in well-being and that persistent deprivation of any psychological need has costs for well-being (Deci & Ryan, 2000). In this regard, employees' need satisfaction has also been considered as a potential cause for a change in employees' behaviour, which may ultimately influence their well-being.

The combination of the expectancy and self-determination theories allowed for each theory to complement one another, as well as fill in for the other's weaknesses. In general, these theories provide the background on how employees are motivated to perform. However, it is evident that the expectancy theory and self-determination theory differ in their views on the kind of experience derived from the process of reward-seeking behaviour. This divergence of views clearly shows that there is a need to better understand the reward-seeking process as it does not only influence the performance of the employees but also their well-being.

Hence, the specific focus of this thesis is on the process of reward-seeking behaviour and how the latter influences employees' well-being, as this aspect has been overlooked by literature. In essence, this thesis aims to create understanding of employee well-being amongst the disparate streams presented and how the experience itself may change and evolve over time. Therefore, the

general prescription is that through employees' expectations and self-determination, rewards influence reward-seeking behaviour and well-being.

Examining the employees' reward-seeking process from bonuses and promotions through a change in behaviour has both theoretical implications and practical significance. This thesis offers a contribution to formal knowledge on how high or low levels of reward-seeking behaviour influence employee well-being. This study's practical significance revolves around employees' behaviour change practices as a function of theory. As a first step this research study examined the relationship between the level of reward-seeking behaviour from bonuses and promotions with employee well-being in the context of financial institutions in Malta. This has been done by focusing on what are the employees' individual differences in reward expectations and need satisfaction.

The main contribution of this thesis is the development of the four quadrant, reward-seeking behaviour – well-being model (Figure 1). The model represents employees' self-determined state of well-being through their reward-seeking behaviour. This two by two matrix portrays four different categories of employees, mainly highly motivated, apathetic, work-life balanced and work-life imbalanced.

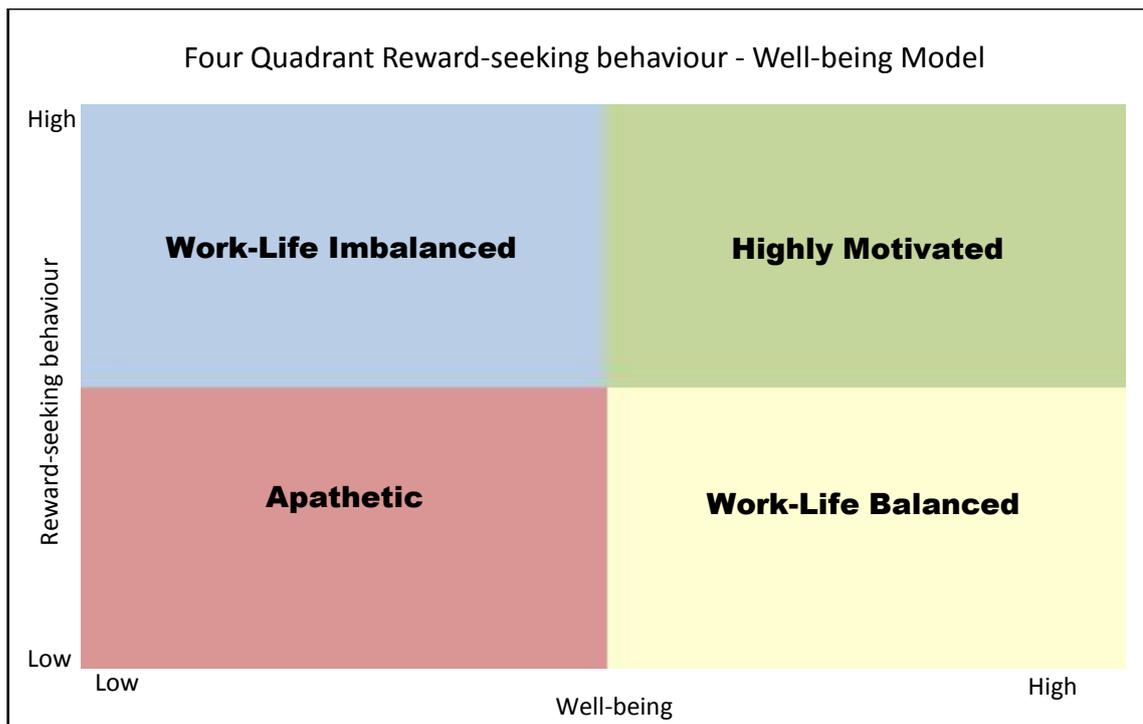


Figure 1: Four Quadrant Reward-Seeking Behaviour -Well-being Model

A highly motivated employee allocates considerable time and high levels of energy towards attaining a reward whilst an employee in the apathetic category engages in low levels of reward-seeking behaviour. These two extremes are dependent on the value given by the employee to a bonus or a promotion that is, when the reward is valent, the reward-seeking behaviour increases and vice-versa. However, the relationship of reward-seeking behaviour to well-being is dependent on the autonomy of the employee to change his/her behaviour. If the employee is motivated to perform and he/she is freely engaging in high levels of reward-seeking behaviour, his/her well-being is affected positively. But, if an employee consciously decides to engage in low levels of reward-seeking behaviour because the reward lacks valency, then his/her well-being will be influenced negatively.

The other types of employees include those who experience either work-life balance or work-life imbalance. Employees in the work-life balanced category consciously engage in low levels of reward-seeking behaviour to maintain an acceptable balance between work and their personal life for the sake of their

positive well-being. In contrast, work-life imbalanced employees engage in high levels of reward-seeking behaviour as the reward takes priority over their personal life and in the long run it affects negatively their well-being.

This thesis is going to tell the story of how reward expectations and self-determination shape employees' behaviour, and how this change in behaviour influences positively or negatively employees' well-being. Furthermore, this thesis also recites the data collection process and how the model developed. The structure of the thesis is explained in the next section.

1.1 Structure of the Study

Chapter one provides an overview of the study by representing and organising existing knowledge, synthesized coherence and problematisation to signify how much the contribution of this thesis matters (Locke & Golden-Biddle, 1997). However, this chapter also delineates the contents of the other chapters.

Chapter two provides a review of the literature based on theoretical background, models and other empirical studies that have a direct bearing on the research study. It focuses on how reward-seeking behaviour from bonuses and promotions influence employees' well-being. This chapter starts with an introduction of the two selected extrinsic rewards by referencing Warr's (2011) job feature seven – availability of money and job feature 11 – career outlook. Thereafter, expectancy theory and self-determination theory were reviewed in the context of reward expectations and psychological needs satisfaction. Subsequently, this chapter reviewed literature on the relationship between reward-seeking behaviour and well-being. The last section of this chapter identifies the literature gap.

Chapter three outlines the research design, justifies the epistemological stance and provides an overview of the qualitative methodology applied to the study. It also describes how a methodology appropriate to the problem was selected and

developed. The interview data is then combined with diary notes and memoing. Thereafter, ethical considerations and limitations on the qualitative instruments used to collect data are discussed.

In chapter four, the population is described and data collected from semi-structured interviews is presented. Chapter five provides an analysis of the findings from the previous chapter, as well as incorporates the diary notes and memoing as part of the data collection process. The data presented in this chapter provides sufficient evidence to draw reasonable conclusions therefrom, some of which are also substantiated in the literature review.

Chapter six outlines the conclusions and recommendations derived from the data analysis carried out, together with implications for future research. The following is a diagram to summarise this research (Figure 2).

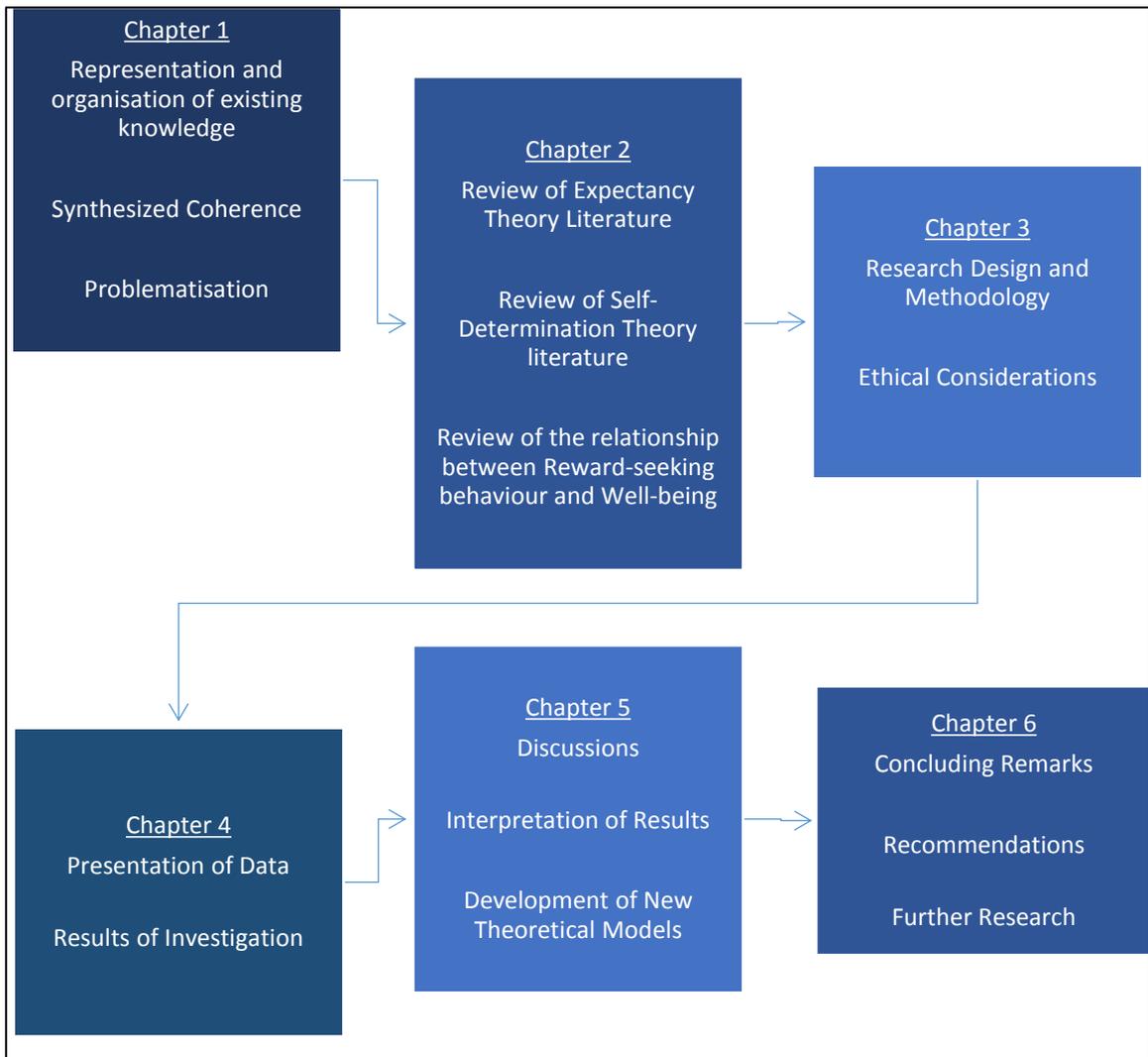


Figure 2: Thesis Structure

2 Literature Review

This chapter provides a review of existing literature on the relationship between reward-seeking behaviour from bonuses/promotions and employee well-being. The literature review chapter begins by providing a background on the two chosen extrinsic rewards, namely bonuses and promotions. Subsequently, this chapter discusses reward expectations by drawing on Vroom's (1964) expectancy theory. It then reviews literature on the extent extrinsic rewards satisfy basic psychological needs by drawing on the work of Deci and Ryan's (1985, 2000, 2002, 2008) and Ryan and Deci's (2000, 2001, 2006, 2008) self-determination theory. Thereafter, the interrelationship of reward-seeking behaviour and well-being is reviewed. The purpose of this literature review is to locate this research study within the context of existing literature through the identification of gaps so as to be in a position to generate research questions.

2.1 Introduction to Bonuses and Promotions

Rewards can either be classified as intrinsic – namely those which satisfy the employee through the job content, or extrinsic - which are rewards mainly external to the job itself. The latter may include financial compensation, personal learning, development, career growth and organisational climate (Shields, 2007). Additionally, extrinsic rewards are primarily linked to extrinsic motivation wherein a job is performed for a pay raise or promotion and not for the satisfaction derived from the activity itself (Giancola, 2014).

Warr (2011) identified relationships between 12 different job features and well-being. However, only two job features which include job feature seven - availability of money and job feature 11 – career outlook were reviewed. Job feature seven - availability of money comprises of the basic salary, performance related pay and bonuses. Hence, the researcher needed to consider which one of these three aspects will be the subject of research.

The basic salary level often features as the basis for studying availability of money in relation to pay satisfaction but the researcher was more interested in the variable component of income. This is because the research study is based on the concept that reward outcomes depend on employees' applied effort and performance. The option was therefore between performance related pay and bonuses.

Armstrong (1994) states that performance related pay links pay progression to performance and/or competence rating whilst bonuses are not added to the employees' salary. Although both performance related pay and bonuses were of interest, the researcher chose bonuses as this incentive was used by all the three institutions under study. In contrast, neither of the selected institutions utilised performance related pay as part of their rewarding strategy at the time of study.

Interlinked to the fact that bonuses are a one-time incentive and performance related pay could not be studied within the selected institutions, the researcher selected promotions as the other extrinsic reward. This decision was made in view that promotion benefits are of a more permanent nature compared to bonuses and this aspect may influence employees' effort to perform. As in the case of bonuses, promotions also feature as an incentive mechanism within all the three financial institutions under study.

The following sub-sections provide an overview of Warr's (2011) job feature seven - availability of money and job feature 11 – career outlook.

2.1.1 Warr's (2011) Job Feature seven - Availability of Money

Empirical evidence suggests that monetary rewards are among the most powerful factors affecting employee motivation and performance (Aguinis, Joo & Gottferdson, 2013). Cox, Brown and Reilly (2010) argue that monetary rewards

are visible and easily quantifiable, and while individuals may have a greater or lesser degree of attachment to it, none are likely to have negative preferences.

Monetary rewards in fact, can be a powerful motivator to employee performance and also help attract and retain top performers since they assist individuals to meet a variety of basic and also higher-level needs (Long & Shields, 2010). Money is used on personal and corporate level, for one of its most appreciated qualities is that it can be changed for almost any goods and services that humans need for a comfortable and secure life (Cosma & Gilceava, 2014).

This thesis looks into the variable component of an employee's income in the form of bonuses. But what actually constitutes a bonus? A bonus can be defined as an extra payment on top of a basic salary instigated by the achievement of pre-specified goals, with the primary purpose being to reward or recognise performance that impacted positively on the success of the institution (Bareket-Bojmel, Hochman & Ariely, 2014). Similarly, Kalinowska & Trzaskalik (2014) define bonuses as a direct reward earned by the employee for superior work.

In essence, bonuses comprise of rewards to employees for work which has already been done and that ensures that individuals who perform well are compensated, so as to maintain the long-term reputation of the organisation for rewarding good performance (Fairburn & Malcomson, 2001). Indeed, Yang (2008) states that if employees' performance is observable, then organisations can use direct bonuses to motivate employees based on their performance. From the employer's point of view, employees are being provided with the opportunity to earn monetary rewards by clarifying outcomes and offering material support which expands further the chance for positive emotions to occur more frequently (Harter, Schmidt & Keyes, 2002).

Bonuses render high performance more rewarding than low performance (Baker, Jensen & Murphy, 1988). However, the real effectiveness of the bonus is dependent on the rules of distribution and whether it fulfils its function by meeting certain conditions (Kalinowska & Trzaskalik, 2014). These conditions include that it must be clearly linked to a specific achievement; sufficiently high to be of real value; selective, paid relatively rarely, and granted according to predefined and accepted principles (Kalinowska & Trzaskalik, 2014). Furthermore, the bonus assessment process needs to be systematic in such a way that it determines; who are the participants in the system, the frequency of assessment and the evaluation tools and techniques used (Kalinowska & Trzaskalik, 2014).

Lawler III (2011) states that when an organisation treats all employees in the same way with regards to bonuses and their distribution, it runs the very risk of treating almost no one in the optimal way. On the other hand, if an institution treats everybody as an individual, it runs the risk of creating a complex system that may potentially have charges of favouritism, unfair treatment and bias (Lawler III, 2011). Hence, an institution may benefit from having a mix of schemes attached to different bonus plans.

Garbers and Konradt (2014) argue that in order to create an appropriate reward system, team composition as well as reward characteristics and distribution rules, need to be carefully taken into consideration within an organisational, team and individual level. Consistent with this line of thought, the selection of bonus types from literature has been narrowed to individual, team and corporate bonuses as their main similarity is that they define pay according to some outcome measure of performance (Elvira, 2001). These three types of bonuses are also practiced by the Maltese financial institutions under study.

Team rewards apply when part of an employee's income is tied concurrently to the achievement of team goals or some other measure of team performance (Aime, Meyer & Humphrey, 2010). However:

...traditional perspectives on team rewards, motivation, and performance provide different and sometimes contradicting predictions about how team processes may develop in a situation with interdependent tasks and rewards (Aime, Meyer & Humphrey, 2010, p.60).

This is because the team's performance only increases when employees clearly see a link between effort, performance, and outcomes (Aime, Meyer & Humphrey, 2010). In addition, the study carried out by Garbers and Konradt (2014) revealed that the effect of team-based rewards depends on team size, where the team bonus effect decreases with the number of team members. Also, a monetary incentive may be very important for a particular team member but less important for another who for instance, places more value on autonomy rather than financial gain (Aime, Meyer & Humphrey, 2010).

Thus, an incentive programme for teams may benefit from considering both interdependence and the need for individual differentiation of team members (Aime, Meyer & Humphrey, 2010). This may be of an advantage as in a team there are always those individuals who induce superior performance to others in the group. However, there may be free-riders who simply exploit the group for their own benefit (Ladley, Wilkinson & Young, 2015). Successful compensation systems for teams require mechanisms that cater for both actual and perceived social loafing (Richards, 2006). In practice, an intuitive approach to reduce the severity of free-riding incentives in teams comprises of contemporarily introducing both individual and team-based incentives.

A pure team reward enables team members to see the necessity for cooperation more clearly whilst an individual reward tempts team members to individually focus on obtaining the bonus (Irlenbusch & Ruchala, 2008). Irlenbusch and Ruchala (2008) affirm that individual rewards are likely to have a counteracting effect since on one hand, they increase output because of higher individual incentives whilst on the other hand, they may distract team members from acting cooperatively. Interestingly, when the individual bonus is small, crowding-out of voluntary cooperation is not a big issue but with a relatively high individual

incentive, the organisation runs the risk of diminished cooperative attitude (Irlenbusch & Ruchala, 2008).

Gomez-Mejia and Franco-Santos (2015) affirm that there is general agreement in the literature that team incentives' advantages outweigh their negative aspects. In contrast, Kragl (2015) asserts that when comparing group incentives to individual incentives, the former type are relatively low-powered because the probability of an employee receiving a bonus does not only depend on his/her own action but also on the co-worker's effort. Hence, the total size of the group bonus must be larger than the respective individual bonus so as to ensure a given level of effort (Kragl, 2015).

Employees are frequently motivated by incentives that rely on subjective evaluations by their respective supervisor or line manager and these incentives are supported by non-verifiable measures of performance (Kragl, 2015). Gibbs et al. (2004) state that when assigning bonuses, subjectivity can arise in several ways, that is, by having a system that bases:

All or part of the bonus on subjective judgements about performance; or when the weights on some or all quantitative measures are determined subjectively; or a subjective performance threshold or "override" is used (Gibbs, et al., 2004, p.410).

Franco-Santos, Lucianetti and Bourne (2012) through a review of the existing empirical evidence add that performance measures need to be controllable, challenging but attainable, and related to meaningful rewards. Furthermore, poor measures which fail to adjust factors outside managers' control, may impose undue risk in the principal-agent relationship (Heinrich, 2007). Hence, setting objective goals that make it clear whether goals have been met or not is crucial to address any doubts with regards to subjectivity.

The next section highlights that promotion-based incentives are often used as the primary incentive device in most organisations even though they tend to have many disadvantages and few advantages when compared to bonus-based rewards (Baker, Jenson & Murphy, 1988).

2.1.2 Warr's (2011) Job Feature 11 – Career Outlook

Vroom (1964) states that there is an implicit assumption "...that promotions are desired and that workers will strive to perform effectively in their jobs if they expect that by doing so they will increase their chances of receiving a promotion" (Vroom, 1964, p.304). Although not every employee may want to be promoted, this thesis focuses on the former assumption which relates to the second aspect of Warr's (2011) job feature 11, that is the opportunity for promotion.

In principle, promotions have a dual role, these being, to assign people to jobs that best suit their abilities and to provide incentives (Fairburn & Malcomson, 2001). Promotions range from title changes involving little or no real job changes to major promotions requiring new skills, such as managing groups of employees, (Kramer & Noland, 1999) that affect the inherent characteristics of the job (Van Herpen, Van Praag & Cools, 2005).

From an employee's perspective, a career is often seen as an upward progression in an employment hierarchy and by forward planning and appraisal of the prospects, one may actively manage his/her career (Warr, 2011). From an employer's perspective, superior performance is achieved through the workforce and thus the focus is on recruiting and selecting the right people (Baptiste, 2008). To satisfy, both the needs of the employees and the employer, resourcing of positions from within is essential to create promotion opportunities especially in jobs that require firm-specific knowledge (Dohmen, Kriechel & Pfann, 2003).

Hence, hierarchically organised firms need to give weight to career mobility within the organisation (Dohmen, 2003). Internal promotions are generally seen as a critical way to retain key employees (Pfeffer, 2005) and fill vacancies in higher managerial positions (Ortin-Angel & Salas-Fumas, 1998). When promoting existing employees, the transition is smoother as they already know their organisational locations, although they would still have to negotiate their changing roles with people they already know (Kramer & Noland, 1999).

Even though internal promotions provide benefits, a firm may find it costly to reorganise work to optimise promotion opportunities (Gibbs, 1995). However, organisations are cognisant that if they succeed to fit a particular job to an employee who possesses the right skills and he/she is also provided with promotion opportunities, the firm benefits in terms of productivity and performance goals (Saporta & Farjoun, 2003). Elvira (2001) also states that a firm might use promotions to increase pay above market levels, reduce turnover, and retain good performers.

However, promotion opportunities are highly dependent on the firm's current position - namely whether it is growing at a fast pace or otherwise is facing a declining state. Indeed, promotion prospects positively correlate with the organisation's rate of growth. Thus, if the institution is growing at a fast pace, the likelihood of employees being promoted in the short-term is prominent. However, if a firm is stable, growing at a slow rate or else is experiencing a decline in business, the chance of an employee being promoted is limited. This is confirmed by a study carried out by Dohmen, Kriechel and Pfann (2003), who found that promotion rates increase during corporate expansion and fall during downsizing. In a nutshell, promotions may not be an effective reward strategy when a firm is either in a saturation or declining level of business.

Career progression is characterised by job ladders, which consist of sets of rules that link jobs vertically and regularise the paths of advancement in organisations

(Cassirer & Reskin, 2000). Promotions are part of employees' careers and take place over time as workers move between jobs and from non-supervisory to supervisory positions which is often associated with income growth and career development (Maume, 1999). It is in the hands of organisations to foster or discourage their employees' aspirations for promotion even though the probability of being promoted to a higher hierarchical job level highly depends on the employee's ability (Ortin-Angel & Salas-Fumas, 1998).

Promotions may involve a change in job level but not necessarily in its job classification. This happens as institutions group a number of jobs into classes, however within each class there may be different levels depending on the nature of work, skill, experience and responsibility required. Hence, when narrowed down these advancements constitute two types of promotions, namely status and grade promotions. On one hand, a status promotion is an upward visible move that includes a change in job classification and job level, as well as a change in responsibilities (Saporta & Farjoun, 2003). On the other hand, although a grade promotion is also an upward move, it only involves a change in job level or job grade but not in its classification (Saporta & Farjoun, 2003).

Employers might prefer grade promotions as they do not entail the restructuring of the existing organisation chart (Saporta & Farjoun, 2003). In fact, status promotions may be limited as there needs to be a vacancy compared to grade promotions which can be distributed more freely by the employer (Saporta & Farjoun, 2003). Furthermore, Elvira (2001) adds that promotion incentives are crucial to alleviate motivation problems in salary only contracts, to a much greater extent than in incentive pay contracts. Hence, promotions may increase both job satisfaction and commitment, and this is mainly due to promotions leading to better jobs (Kalleberg & Mastekaasa, 2001). Typically, salaries associated with job levels increase towards the top of the hierarchy, so that workers enjoy wage raises upon promotions (Dohmen, 2003).

Apart from the physical movement between levels and jobs, promotions involve employees' interpretation of career events and alternatives. From the employee's perspective, a promotion is important as it is bound to impact their lifestyles (Gallop & Gagg, 1972). An exemplary account by Gallop and Gagg (1972) states that a promotion is a kind of catalyst linking together two mechanical changes, both in work and non-work roles. Although promotions feature as a one-time prize which may not be substantial in monetary terms, they provide the opportunity to continue earning wage growth and further advancement (Gibbs, 1995). Additionally, promotion arrangements can reward individual behaviour by providing security, status and skill development (Saporta & Farjoun, 2003). By contrast, the consequences of an employee who does not receive an expected promotion may include loss of related positive outcomes such as increased pay and recognition as well as lowered self-esteem or organisational status (Morrison & Robinson, 1997).

For the purpose of this thesis, promotions are described in terms of their probability of occurrence since promotional opportunities "...are highly variable and are often assumed to have a marked effect on job satisfaction" (Vroom, 1964, p.178). Career advancement promises are sometimes disguised in the form of empowerment, which do not carry a specific timeframe of when the promotion shall materialise. Thus, employees rely on management not to abuse their greater power and keep their promises. The anomaly of empowerment is that employees may feel constrained to accept the additional delegated tasks and responsibilities in order not to damage their promotion prospects (Denham Lincoln, et al., 2002).

The next section critically reviews employees' reward expectations by drawing on Vroom's (1964) expectancy theory and the psychological contract.

2.2 Reward Expectations

According to Warr (2011), employees are happier if their jobs contain features that are generally desirable and if their own characteristics and mental processes encourage the presence of happiness. This is because the outcome allocation of any compensation incentive has a major influence on people's cognitive, emotional and behavioural aspects (Tornblom & Ahlin, 1998). In a similar vein, Rowe et al. (2008) argue that reward expectations change the way employees think and behave. For instance, money influences cognitive processes, including but not limited to decision making, attention and responses to events (Rowe, et al., 2008) whilst the anticipation of reward leads to motivated behaviour (Blaukopf & DiGirolamo, 2007).

Time is also important within organisational studies as it provides a metric by which individuals fundamentally understand current work experiences and discern whether events are happening on time, ahead of schedule or later than planned (Shipp & Cole, 2015). Hence, time is essential when assessing one's progress with regards to the reward expectations as employees interpret retrospective, current and anticipated reward experiences (Shipp & Cole, 2015). As employees acquire information concerning the results or accomplishments during a given period of time, they can then compare these results with their evaluative standards (Vroom, 1964).

To better understand the role of reward expectations in behavioural changes, this section first explores Vroom's (1964) expectancy theory and then reviews rewards' expectations in relation to the psychological contract.

2.2.1 Expectancy Theory

The expectancy theory of motivation is utilised as the paradigm for this study as it is necessary to measure motivation in terms of employee attitude and

behaviour during the reward-seeking process (Lawler III & Suttle, 1973). Overall, the expectancy model defines motivation as:

... a function of the combination of the following variables: the perceived likelihood that effort towards a behaviour or task goal will lead to the successful accomplishment of that goal, the likelihood that the successful accomplishment of the behaviour goal will result in the securing of rewards and the valence of these outcomes (Lawler III & Suttle, 1973, p.483).

According to Vroom (1964), expectancy theory is based on four assumptions. First, people join organisations with expectations and these influence how they react to the organisation. The latter aspect is discussed in the next section on psychological contract expectations. The second assumption is that employees' behaviour is a result of conscious choice and thirdly, employees want different things from the institution. Through different adaptation levels or standards of judgement, some employees might be easily satisfied if certain minimal requirements are achieved, whereas others have much higher thresholds (Vroom, 1964, p.119). Fourthly, employees will choose among alternatives to optimise their personal outcomes.

Marsden and Richardson (1994) applied expectancy theory, to a study of performance pay in the United Kingdom public sector, which findings concluded that there are three conditions which need to be met for an employee to change his/her behaviour. These include:

“1. has to feel able to change his or her behaviour, 2. has to feel confident that a change in the behaviour will reliably produce the rewards; and 3. has to value the rewards sufficiently to justify the change in behaviour” (Marsden & Richardson, 1994, p.253).

These findings support Vroom's (1964) theory, that individuals consciously choose particular courses of action based upon their perceptions, attitudes and beliefs, as a consequence of their desire to enhance pleasure and avoid pain.

Warr (2011) states that employees are persistently occupied in seeking an acceptable level of pleasure or escape from displeasure. In this regard, success and failure are respectively experienced as the presence of gains and the absence of positive outcomes, also referred to as non-gains (Idson, Liberman & Higgins, 2000). Gain situations will induce a promotion focus, whereas averting the loss of a positive outcome will induce a prevention focus (Idson, Liberman & Higgins, 2000). Individuals with a promotion focus utilise approach strategies whilst prevention focus tend to use avoidance strategies to attain a reward (Higgins, et al., 2001). For instance, a promotion focused employee who construes a bonus or a promotion as an accomplishment might direct his/her behaviour towards consistently seeking to reach the assigned targets but a prevention focused employee ensures that he/she avoids distractions to focus on those targets and comply with the institutions' policies and procedures.

Rewards may also be construed by an employee as a potential failure or a non-gain, and thus the fear of non-attainment may elicit feelings of pressure (Friedman, 2009). Friedman (2009) adds that non-gains are psychologically akin to losses and individuals may therefore work harder to avert what they mentally construe as the loss of a reward, rather than to strive to attain what they interpret to be a prospective gain. For example, when an individual anticipates that he/she will sense envy if allocated a smaller proportion of the reward when compared to the peers, the former is incentivised to exert effort to prevent such a situation (Grund & Dirk, 2002). This biased pressure caused by envy is endorsed by a research study conducted by Menon and Thompson (2010) who found that when an individual reflects on vulnerable moments and practices new habits, envy can turn into a means of improving individual and team performance (Menon & Thompson, 2010).

Notwithstanding the individual's orientation, choosing to pursue a reward may cause the loss of certain resources but allow for the attainment of others. This reality requires individuals to assess the benefits and consequences of their reward choices because that evaluation process shapes the behaviour of an

individual (Pessoa & Engelmann, 2010). Most commonly, employees respond to stimuli that have been rewarded in the past and the chances are that the behaviour will be repeated in the present and vice-versa (Vroom, 1964).

Vroom (1964) theorised that the source of motivation in expectancy theory is a multiplicative function of expectancy, instrumentality and valence. The multiplier effect means that high levels of motivation will result when expectancy, instrumentality and valence are all high. If any one of these components is weak, the willingness of an employee to engage in reward-seeking behaviour in relation to that reward will also be weak. The three aspects of this equation are individually reviewed in the next sub-sections.

2.2.1.1 The Concept of Expectancy

The concept of expectancy involves the relationship between effort and performance. Indeed, expectancy can be described as the belief that higher or increased effort will yield better performance in order to achieve the valent outcome (Vroom, 1964). The impact of the resulting effort on performance is moderated by the conditions that enhance expectancy which include the availability of necessary resources and support and possession of the required skills set (Parijat & Bagga, 2014).

Hence, if the value of expectancy is zero, it means that even though an employee may apply his/her maximum effort, the latter will still not result in any change in performance. But, if the expectancy level is equal to one, it means that the effort will lead to success or the best performance (Parijat & Bagga, 2014). The concept of expectancy can predict the effort an employee is willing to exercise to better his/her performance including working harder for a bonus or working extra hours for career advancement (Parijat & Bagga, 2014).

As performance is positively related to effort, there is an expected monotonic and increasing relationship between monetary compensation for an activity and the performance level of that activity (Gneezy & Rustichini, 2000). The relationship between performance and outcome shall be discussed in the next section.

2.2.1.2 The Concept of Instrumentality

The concept of instrumentality involves the relationship between performance and reward outcomes. Vroom (1964) defined instrumentality as an outcome to outcome association but instrumentality is also interpreted in terms of the probability to obtain an outcome. In essence, instrumentality revolves around the performance of the employee, whereby good performance is thought to lead to the valued outcome. Parijat and Bagga (2014) coin the process of instrumentality by arguing that when an employee is motivated to achieve better results, this desire becomes instrumental to the actual achievement of better outcomes.

When individuals receive money as a reward, it is common that money is accepted as the reason for their behaviour (Deci, 1972). Incentive power in monetary terms may be defined as the ratio of performance-contingent pay to fixed pay, the stronger the link between performance and total compensation, the greater the incentive to work hard would be (Heinrich, 2007). However, the performance-outcome expectancy process positively predicts effort when the outcome is fixed pay but this is not sustained in the case of bonuses (Igalens & Roussel, 1999).

Low monetary payments are considered as poor motivators to the extent that a zero payment can be more motivating than rewards that are perceived as too low (Bareket-Bojmel, Hochman & Ariely, 2014). In this regard, an incentive system may not be effective if the magnitude of reward is not large enough to have a significant impact on performance (Kopf, 1992). In parallel, Gneezy and Rustichini (2000) contend that employees may be reluctant to work for a very small monetary bonus as this weakens their future bargaining position. This

means that lack of rewards will diminish employees' work efforts and may cause them to withdraw from their jobs (Bustamam, Teng & Abdullah, 2014).

Hence, the degree of employee's satisfaction with the bonus monetary value shall be reflected in his/her performance. In essence, instrumentality leads to a clear understanding of the relationship between performance and outcomes which involves an element of trust in the leaders who make the decisions on who gets rewarded. Interestingly:

...whenever an individual chooses between alternatives that involve uncertain outcomes, it seems clear that his behaviour is affected not only by his preferences amongst these outcomes but also by the degree to which he believes these outcomes to be probable (Vroom, 1964, p.20)

To mitigate the issue of uncertainty, managers may be given discretion to make whatever adjustments they deem fit to objective performance measures so as to realign current period compensation with current period effort (Bol, Hecht & Smith, 2015). Ironically, Bol, Hecht and Smith (2015) found that managers are less likely to make discretionary adjustments when firms endow managers with such discretion especially when it relates to adjusting an employee's bonus, as this action may have direct and salient consequences for other employees.

The expectancy of uncertain outcomes is characterised by the employee's belief that that particular outcome will eventually materialise in the future. A clear example is when employees strive for a promotion but they are seldom certain that they will triumph over other candidates (Vroom, 1964). Notwithstanding the uncertainty of being granted a promotion, an employee still works hard for the promotion as his/her expectancy of attaining that promotion is positive.

For instance, past promotions reinforce the employee's expectation of being promoted again in the future (Saporta & Farjoun, 2003). This is particularly true when employees would have attained the necessary qualifications, achieved

satisfactory performance and a promotion ceiling has not been reached (Saporta & Farjoun, 2003). Thus, the actual granting of past promotions conveys to workers their employer's assessment of their performance (Cassirer & Reskin, 2000). Even more, regular promotion exercises instil among employees that a promotion is not simply a matter of chance and workers are encouraged to believe in a system that engenders optimism (Cassirer & Reskin, 2000). But, when an employee was not considered in past promotions exercises and holds a longer tenure in the current job, his/her expectations of being promoted would be very low (Cassirer & Reskin, 2000).

2.2.1.3 The Concept of Valence

The concept of valence incorporates the relationship between the reward outcome and the employees' personal goals. Valence means "value" and is interpreted as the importance, attractiveness, desirability, or anticipated satisfaction with outcomes (Vroom, 1964). A positive valence is when an employee prefers attaining the reward to not attaining it whilst a zero valence suggests indifference to attaining that reward. In the case of negative valence, preference is towards not attaining that reward rather than attaining it.

There are individual differences in the level of value associated with any specific outcome. For instance, a bonus may not increase motivation for an employee who is motivated by formal recognition or by increased status. In the latter case the employee would be more motivated by a promotion. It is also interesting to note that although perceptions of career success are driven by promotions, the value of a promotion becomes less important for those employees who are approaching retirement (Mencil & Lester, 2014).

The consideration of the valency of an outcome becomes more challenging when the outcome has conflicting aspects. In particular, a promotion has both positive and negative valences because an employee may warrant a promotion for its benefits but at the same time may view stress and fatigue as undesirable

outcomes. In such a case, for a promotion to be considered as valent, it is important that the total sum of valences is positive (Parijat & Bagga, 2014).

Valence can be viewed as the pressure or importance that a person puts on an expected outcome at that particular point in time. Vroom (1964) argues that the valence of energy expenditure could be positive after prolonged inactivity but negative after prolonged activity. This may mean that when employees get used to a reward, the expectations diminish compared to pursuing a reward which is rather new. Other considerations include whether one has been rewarded for being inactive and punished for activity. This is because "...at any given time there may be a substantial discrepancy between the anticipated outcome and the actual satisfaction it provides" (Vroom, 1964, p.18).

Literature also reveals that the time already spent on the job is a conditional aspect for promotion, that is, the probability of being promoted rises in the beginning and then starts to decrease (Dohmen, 2003). The likelihood of being promoted decreases the longer the employee spends in a particular job. This happens as the perception of that particular employee's ability to perform in higher hierarchical levels is low (Ortin-Angel & Salas-Fumas, 1998). In consequence, performance may decline for those employees who were passed over for promotion (Gibbs, 1995). When employees realise that their mobility prospects are poor, they de-emphasise the importance of a promotion but when the indicators are promising, they express the desire for a promotion (Cassirer & Reskin, 2000).

2.2.1.4 Expectancy Theory Critique

The expectancy theory has been proposed to predict job performance which is in line with the rationale of this thesis that focuses on the change in employees' reward-seeking behaviour from bonuses and promotions. However, from a theoretical perspective, the distinction between effort and performance as criterion measures is not clear and these two terms are often interchanged

(Heneman & Schwab, 1972). Moreover, Vroom's theory disregards the importance of intrinsic motivation by making rewards contingent upon performance. This theory assumes that rewards will always increase motivation and that the more effective the performance, the more rewards an individual receives. Hence, only the attractiveness of the reward is being considered making the magnitude of the motivational force irrelevant (Kopf, 1992).

In reality, employees are faced with a choice between high and low performance levels and will choose the performance level that provides the highest expected value (Kopf, 1992). When employees choose high performance, it is because it has a higher expected value than that of low performance and these employees will be considered as highly motivated (Kopf, 1992). In contrast, if the expected value of low performance is greater than that of high performance, employees will choose to perform at a low level and are considered as 'unmotivated' (Kopf, 1992). However, it remains unclear on whether the change in performance originates from a change in the effort exerted towards that goal or from a modification in employees' personal goals.

It also appears that there is substantial confusion in the interpretation of, and conduct of research on the theory (Heneman & Schwab, 1972). Evidence of this misinterpretation lies in the many studies that have anchored Vroom's valence model on received rewards rather than anticipated rewards (Mitchell, 1974). Furthermore, the conduct of research on expectancy theory is characterised by the use of only one expectancy measure even though effort is often dependent on numerous outcomes (Mitchell, 1974). In this regard, this thesis concentrates on the anticipation of receiving a bonus or a promotion and the data collected is analysed by taking into consideration all three measures of the expectancy theory.

In order to understand better the mutual expectations employees and employers have of one another, the next section reviews the psychological contract implicit expectations.

2.2.2 Psychological Contract Expectations

Rewards in the form of compensation, have become so important in today's business practice that they are being recognised as a vital element of the psychological contract. The concept of reward opportunities involves the development of one's potential, having some control over one's life, having a sense of purpose in terms of working towards valued goals and experiencing positive relationships (Huppert, 2009). Most importantly, rewards remain central to the relationship between employers and employees (Anvari, Mansor & Rahman, 2014).

A psychological contract is composed of the employee's perception on the terms and conditions that have been promised by the institution including competitive salaries, advancement opportunities and job security in return to a fair day's work and loyalty (Lester, et al., 2002). Both parties believe that they have made promises and accepted the same contract terms. Therefore, the contractual undertaking becomes effective at the point where an individual believes that he/she owes the employer certain contributions such as hard work or loyalty in return for certain inducements (Anvari, Mansor & Rahman, 2014). In essence, a psychological contract holds, when an employee believes that he/she is obliged to behave in a particular way and also believes that the employer has certain obligations towards him/her (Anvari, Mansor & Rahman, 2014).

A dilemma exists in view of the fact that accepting the contract terms does not necessarily guarantee that a common understanding is present. Kowalski (2013) highlights that often there is a mismatch between employees' and employers' perception on well-being. This is because each party may have a different interpretation of the contract (Robinson & Rousseau, 1994). The fact that

psychological contracts can be conveyed through several means implies that their broad construct encompasses not only obligations established via a formal or an implied contract, but also perceived obligations that result from more implicit means (Morrison & Robinson, 1997). This thesis focuses on employees' perceived obligations of their employer in regard to expected bonuses and promotions.

Negative connotations may result from a perceived cognitive violation between what one has received to what one was expecting. When this occurs, the organisation is viewed by the employee as having failed to fulfil an obligation of the psychological contract (Morrison & Robinson, 1997). Morrison and Robinson (1997) argue that violation development is a highly subjective and imperfect process of gathering information, and making sense of that information is also affected by beliefs and perceptions, at times possibly biased.

The two conditions which may give rise to violation are renegeing and incongruence. Renegeing refers to when the employer consciously breaks a promise due to the inability or unwillingness to fulfil that obligation whilst incongruence results when the employee and employer have a different understanding about the psychological contract (Morrison & Robinson, 1997). Notwithstanding the nature of the violation, when an employee perceives that his/her employer failed to fulfil expected inducements, he/she experiences feelings of anger, frustration and resentment as a result (Kickul, 2001). A perceived violation may also affect trust and expectations of future rewards (Rousseau, 1989) and this causes uncertainty within the employment relationship (Reimann & Guzy, 2017).

This uncertainty may be accompanied by a number of emotional states including but not limited to the inability to stop thinking about the issue that gave rise to the emotion, outward expressions of anger, distress and bodily disturbance involving the automatic nervous system (Morrison & Robinson, 1997). The major impact

of a violation on well-being occurs when an individual views this non-achievement as a failure, which translates in demotivation and negative emotions (Soman & Cheema, 2004). Nonetheless, employees may be more forgiving of a psychological contract breach if they perceive that the institution was forced to change the employment relationship due to circumstances beyond its control (Lester, et al., 2002).

In reality, the connection between the violation of psychological contracts and employee well-being is a relatively new subject of research and is rather limited. However, a study carried out by Reimann and Guzy (2017) revealed that psychological contract violations act as a psychosocial stressor at work which represents a crucial risk to employee health. In this regard, both the tangible demands at work and the subjective perception of the psychological contract need to be considered (Reimann & Guzy, 2017).

A critical perspective might question whether a universal understanding exists on what constitutes a psychological contract. This is because different authors adopt different perspectives of what a psychological contract is. Some authors emphasise the significance of implicit obligations (Morrison & Robinson, 1997); others highlight the need to understand employees' expectations (Lester, Claire and Kickull, 2001); whilst others stress on the reciprocal mutuality (Anvari, Mansor and Rahman, 2014). This allows for multiple psychological contracts where employees are unable to incorporate their own expectations (Cullinane & Dundon, 2006).

What is of interest to this research study is the need to understand employees' expectations. But how does this understanding relate to bonuses and promotions? This question is answered by first discussing the bonus allocation process and how it may fail to meet employees' expectations, and then by exploring the probability of promotions which in the end may not materialise.

2.2.2.1 Bonus Allocation Process and the Psychological Contract

The traditional bonus pay involves specific performance measures allocated across several different tasks that need to be realised before payment is made (Nisar, 2006). Bonuses may also be linked to a single target to achieve specific goals, such as to support the business strategy, to reinforce organisational structure and/or to enhance the desired culture (Ledford Jr., 2014). For example, an institution with an entrepreneurial business strategy, may offer incentives to encourage cost cutting, foster quality, achieve on-time delivery and/or adopt a highly leveraged reward system which encourages risk-taking or operational excellence (Ledford Jr., 2014).

However, it might not always be possible to have uniform norms of performance standards for all the functional divisions of a financial institution (Nisar, 2003). This is because roles within an organisation have varied job characteristics that may require different pay methods supported through a system that monitors work effort (Elvira, 2001). Moreover, there may be situations where objective measures are simply not available for all critical aspects of the job, and organisations end up focusing on the partial set for which objective measures are available (Shaw & Gupta, 2015). This leads employees to attend only to the measured aspects whilst ignoring the remaining significant job duties (Shaw & Gupta, 2015).

Irrespective of the way targets are set, the actual bonus payment is normally determined by a formula and the resulting figure is rarely altered by the determinants. Hence, the amount distributed in the form of bonuses depends on the achievement of targets. The reality is that "...it is almost impossible to set a target at the 'right' level for each individual and this can have a real impact on motivation" (Turner, Lasserre & Beauchet, 2007, p.129). In the regard, employees seek fairness in the bonus distribution process through the elimination of any bias that may favour one constituency over another so as not to undermine the success of an entire bonus scheme (Turner, Lasserre & Beauchet, 2007).

Bonus pools represent the commitment that the principal has to pay out an established total amount even though the exact division of the total bonus among the participating agents is not specified at the outset (Rajan & Reichelstein, 2006). Some companies opt for a formula based allocation of bonuses but others may provide partial or full discretion to the manager to allocate the bonus to the employees under his/her responsibility. However, and since the firm owns the assets, an employee has no recourse if the firm asserts that overall performance was poor and therefore refuses to pay the expected bonus (Baker, Gibbons & Murphy, 1997).

Hence, organisations need to strike a balance between the targets set, the required standard effort for employees to achieve those targets and the actual bonus pay-out. If employees perceive an imbalance between these three factors, there is the possibility of a mismatch between the expected bonus and the actual bonus. In order to minimise the chances of incongruence between what is expected and what is actually paid, a combination of formal and relational contracts may reduce the firm's temptation to renege on a promised bonus (Gibbons, 1998).

2.2.2.2 Promotion Opportunities and the Psychological Contract

In case of promotions, the link between the underlying determinants and the actual promotion are not clearly defined as it is for bonuses through targets. In contrast, Sturges, et al. (2005) assert that in the so-called new career environment, employees need to be proactive about managing their careers as they are required to generate their own career options and opportunities. By being proactive about generating their own career opportunities, employees in turn expect their institution to help them (Sturges, et al., 2005).

The institution is viewed to meet its obligations when merit determines the career and growth prospects of employees (Ramamoorthy, et al., 2005). Indeed,

When employees perceive that organisational processes of meritocracy reward their effort and discretionary behaviours, they may perceive their expectations have been met; this, in turn, may influence their obligation to engage in discretionary behaviours (Ramamoorthy, et al., 2005, p.144).

Yet, an implicit promise may come into effect through the psychological contract wherein an employee may perceive that he/she has been promised promotional opportunities in exchange for his/her energy, time, technical skills and commitment (Kickul, 2001). Promises that the institution may not be able to deliver due to the increasing competition and changing expectations among employees, prompts a growing disillusionment with the traditional psychological contract based on promotion from within (Hiltrop, 1996).

2.2.3 Concluding Remarks on Reward Expectations

In this thesis, the researcher draws on the work of Vroom (1964) to make the argument that reward expectations shape employees' behaviour. This is because expectancy theory is classified as a process theory of motivation that focuses on the cognitive process of employees. Vroom's (1964) emphasis on expectancy, instrumentality and valence is especially useful to this research study's analysis as it allows the researcher to identify how effort, performance and outcome expectations shape employees' choices to engage in a type of behaviour over others. To this end, Vroom's (1964) conceptualisation of reward anticipation is generative for grasping the extent to which employees are willing to engage in reward-seeking behaviour. Since the expectancy theory is more concerned with reward expectations, it has been combined with another motivational theory - the self-determination theory that takes a psychological needs approach.

2.3 Self-Determination Theory

In the previous section, it was discussed that motivation was deemed to be a product of employees' expectations in relation to a certain level of effort that leads to desired outcomes. In contrast, the self-determination theory suggests that

higher motivation does not necessarily yield more desired outcomes if it is of poor quality. This theory is specifically used to explain the processes through which employees acquire the motivation to change their behaviour as well as to maintain it over time.

Given its broad scope, self-determination theory has spawned controversy, in numerous areas including the impact of rewards. According to the self-determination theory, rewards can powerfully exert control over behaviour, but often at the cost of subsequent intrinsic motivation (Ryan, 2009). Deci and Ryan (1985) argue that an individual experiences a greater reduction of self-determination when a reward is offered for achieving a performance standard compared to being asked to reach a target without the promise of reward. In parallel, Eisenberger, Rhoades and Cameron (1999) state that tangible rewards are an aversive form of social control that diminish self-determination, thus lessening the enjoyment of activities for their own sake. So how does self-determination theory fit in the context of bonuses/promotions and reward-seeking behaviour?

Self-determination theory holds that extrinsic goals such as monetary rewards and status promotions do not satisfy employees' innate psychological needs but they positively contribute to employees' well-being if they are delivered in a way that employees' basic needs are satisfied (Deci and Ryan 2000). Hence, even though bonuses and promotions have a controlling aspect, the promise of reward provides the satisfaction of the need of autonomy in two ways. First, the institution has lack of control over the performance of the employee and secondly the employee has the option to decline the reward or refuse to act as requested (Eisenberger, Rhoades & Cameron, 1999).

Only when the employee feels that he/she is choosing freely to pursue a bonus or a promotion, his/her behaviour is internalised and thus the process becomes self-determined. Research conducted in several behavioural domains including

education, sports and health care consistently showed that full internalisation was associated with greater behavioural persistence, more effective performance, and better mental and physical health (Deci and Ryan, 2000). According to self-determination theory, the employee will carry out cooperative behaviours when internalisation is accomplished since he/she has synthesized the meaning of these goals into his/her own value structure (Ryan & Deci, 2000). In fact, "...people will tend to pursue goals, domains, and relationships that allow or support their need satisfaction" (Deci and Ryan, 2000, p.230).

Ryan and Deci (2000) add that the three psychological needs of competence, autonomy and relatedness have to be satisfied for an individual to experience positive well-being. The self-determination theory also suggests that examination must first take place in the individuals' immediate environment such as ambient demands and obstacles, and then to their developmental environments to establish the degree to which their needs for competence, autonomy and relatedness are being or have been thwarted (Ryan and Deci, 2000).

In essence, employees consider whether the monetary reward or the opportunity to advance is likely to support or thwart satisfaction of their basic psychological needs by predicting the reward effect on outcomes such as motivation, behaviour and well-being (Deci & Ryan, 2008). The concern lies in circumstances where needs are thwarted, because they then lead to specifiable patterns of behaviour and effects that do not represent the optimal well-being (Deci and Ryan, 2000).

The three basic psychological needs of competence, autonomy and relatedness are reviewed in more detail in the next sub-sections.

2.3.1 Competence

Competence relates to the individual's ability to handle problems and act on the environment with at least a moderate amount of success (Warr, 2011). Warr

(2011) claims that there is considerable evidence that supports the notion that employees who are restricted in their use of skill are reportedly less happy than others. In other words, employees need to use the competencies that they have acquired over time whilst having the opportunity to acquire new ones.

Evidence shows that competence only enhances intrinsic motivation when the behaviour is self-determined (Ryan and Deci, 2000). The cognitive evaluation theory states that rewards as a social-contextual event, generate feelings of competence during action, which also enhances the individual's intrinsic motivation for that action (Ryan and Deci, 2000). However, the basic need of competence is also satisfied through the outcome which is generally represented by the compensation awarded to the employee for his/her input. Eisenberger, Rhoades and Cameron (1999) found that a reward indicates competence by means of favourable performance feedback and when the employee remains unaware on whether he/she outperformed others. The non-comparison aspect precludes the generation of any potential feelings of inequity and unfairness.

It is also evident that an employee is motivated to perform when effective performance is consistent with his/her beliefs (Vroom, 1964). However, Vroom (1964) and Adams (1956) differed in their views on consistency as Vroom emphasised consistency between an individual's performance and his/her self-concept whilst Adams regarded consistency between a person's inputs and outcomes with those of significant others. In the case that there is a mismatch, a feeling of inequity is more likely to occur, which in turn influences employees' well-being.

Specifically, social comparison theory highlights that individuals compare themselves to their colleagues as a point of reference when evaluating their own condition (Morrell, 2011). This leads to the phenomenon that rewards are only considered fair and just when higher rewards are perceived to be distributed to those who invested more (Adams, 1965). Hence, a fair process with an

unfavourable outcome will not change employees' positive perception about the institution (Cole & Flint, 2005).

However, individual perceptions of fairness can reflect a self-interest bias (Cole & Flint, 2005). Some employees may feel that they deserve more than others and may consider the slightest discrepancy as the occurrence of a breach of the psychological contract (Morrison & Robinson, 1997). Morrison and Robinson (1997) state that employees who occupy higher positions in the organisation's hierarchy may feel a greater sense of entitlement compared to employees with limited power, and the former are more likely to perceive that their psychological contract has been breached.

Therefore, inequity results from a discrepancy between the received rewards and investments made in one's job in relation to those of other persons with whom the employee compares himself/herself with (Vroom, 1964). In the case of perceived unfairness, employees may suffer from psychological distress such as negative emotional states and perceived stress, as well as more chronic conditions including depression and anxiety (Robbins, Ford & Tetrick, 2012). Examples of other psychological consequences include powerlessness, anger, guilt and avoidance (Jackson, Kubzansky & Wright, 2006).

In essence, an employee strives to obtain an equitable or fair amount rather than to maximise the attainment of a desired outcome (Vroom, 1964). However, employees may perceive a high objective degree of fairness without being satisfied with the job rewards (Tortia, 2008). Therefore, even if bonuses and promotions are applied fairly and in a transparent manner, they may still influence negatively employee well-being.

Furthermore, there may be a discrepancy between the competencies that are valued by the institution compared to those of the employee. A practical example

is when an employer considers seniority as an irrelevant competency when granting a promotion and opts to use merit as a criteria, whereas the employee may believe that seniority is a highly relevant competency (Adams, 1965). This translates in a breach of the psychological contract and causes a feeling of inequity for all those employees who value seniority. In such cases, the extrinsic reward offered is not fulfilling vital emotional and motivational needs for that particular category of employees (Adams, 1965).

2.3.2 Autonomy

Individuals' autonomy lies in exercising their capacity to reflectively endorse or reject prompted actions. Related to this capacity, an employee's well-being is strongly determined by his/her degree of control over activities and events. According to self-determination theory research, the more autonomous the employee's motivation is, the greater their persistence, performance, and well-being at an activity or within a domain (Ryan, 2009).

Autonomy is regarded as a basic psychological need, as it refers to being volitional, acting from one's integrated sense of self, and endorsing one's actions (Deci and Ryan, 2000). The need for autonomy in employment has been substantiated in theoretical debates since the early 1970s, wherein the potential detrimental impact of extrinsic rewards on intrinsic motivation pursued particular interest in literature (Dickinson, 1989; Deci, Koestner & Ryan, 1999). Recently, prominent researchers questioned the reality or significance of the construct of autonomy by declaring them as illusory, burdensome, or bound by culture or gender (Ryan & Deci, 2006). To these claims, Ryan and Deci (2006) respond:

Rather than being an illusion ... autonomy is a salient issue across development, life domains, and cultures and is of central import for personality functioning and wellness (Ryan & Deci, 2006, p.1580).

The opposite of autonomy is not dependence, but heteronomy as this signifies feeling controlled by internal or external forces. Ryan and Deci (2006) state that

potent incentives can direct people to sacrifice autonomy, act against needs, and neglect what they value most. Indeed, extrinsic rewards are an effective means of control which may lead employees to become alienated and thus give up their authenticity (Ryan & Deci, 2000).

On a macro level, organisations may believe that bonuses are the solution to reach their goals whilst on the micro level, bonuses may be perceived by employees to be an ineffective tool due to their lack of control on the actual bonus pay-out. For instance, bonus allocation may be viewed as low-powered when the process is spread across many employees or where an individual's performance has limited or no bearing on his/her share of the rewards (Heinrich, 2007). Employees also rely on their line manager's discretion which is not only limited to rewards and their evaluation but also to job assignments, on-the-job training, exposure to client meetings and so on. All these uncontrollable events may ultimately influence employees' actual performance (Prendergast & Topel, 1993), and his/her chances of being promoted.

The above arguments are rather contrasting to Cameron and Pierce's (1996) research, who found that rewards may be used effectively to enhance or maintain intrinsic interest and that the negative effect only occurs under a highly specific set of conditions, namely, when rewards are tangible and promised to individuals without regard to any level of performance. Eisenberger, Rhoades and Cameron (1999) also contend that the expectation of reward partially counters any loss of autonomy produced by the imposition of tasks and performance objectives. The authors view the promise of reward as having a two-fold perspective, the first being the institution's lack of control over the performance of the employee and the second relates to the employee's option to decline the reward or act as requested.

In their study, Eisenberger, Rhoades and Cameron (1999) found that the institution has limited control over the employee's decision of whether to pursue

that reward or otherwise. This is due to the fact that employees perceive that they have a free choice, both when it comes to carrying out the task and how it will be carried out (Eisenberger, Rhoades and Cameron, 1999). Furthermore, Lant and Saphira (2008) assert that employees' goals have a strong impact on their decision-making process through the interpretation of success and failure. Employees engage in a process that categorises the controllable from the uncontrollable alternatives and ultimately act on what they believe they can control (Lant & Shapira, 2008). Hence, the change in behaviour is assumed to be enacted by employees through their own choice of the course of action expected to produce the desirable bonus or promotion.

In this regard, employees need to be regularly provided with information about their achievements and failures in line with their targets, because this feedback ultimately shapes their attitudes and behaviours with regard to their performance (Kalinowska & Trzaskalik, 2014). The fact that they are given continuous feedback shall provide employees with a degree of control over bonus allocation or promotion prospects and related eventual stressors that influence their well-being. When employees believe they have an element of control over outcomes, they respond through performance (Lant & Shapira, 2008). In essence, individuals make their own choices with regards to bonuses and promotions that might not be perceived as controlling but rather as an affirmation of competence (Harvey, 2005). However, does this assure that the change in behaviour is not impinging on employees' well-being?

2.3.3 Relatedness

Relatedness refers to the homonymous aspect, thus includes feeling connected with others and be integral to and accepted by others. In other words, relatedness can be defined as satisfactions which entail that one is significant to others (Ryan & Deci, 2008). Therefore, this psychological need is not linked to the attainment of any outcome or formal status but instead concerns the psychological sense of being with others (Deci & Ryan, 2002).

Relatedness also provides a sense of security that makes innate growth more likely and robust (Deci and Ryan, 2000). In reality, the need for relatedness can sometimes compete with the need for autonomy (Deci and Ryan, 2000). Therefore, an employee needs to strike a balance between self-regulation and his/her integration into the social context to satisfy the need for belongingness.

Literature that links autonomy and competence to intrinsic motivation is more prevalent than that linking relatedness to intrinsic motivation (Deci & Ryan, 2002). Deci and Ryan (2002) argue that there are solitary activities for which people maintain high intrinsic motivation even though they would not be interacting with others and thus relatedness is seen to occupy a more distal role in the promotion of intrinsic motivation than do competence and autonomy. Nonetheless, there are activities wherein the satisfaction of the need of relatedness is crucial in maintaining intrinsic motivation (Deci & Ryan, 2002). In fact, employees who perceive a high-quality exchange with their superior, feel a sense of indebtedness and reciprocity in terms of attitudes and behaviours that benefit the exchange partner (Wayne, et al., 2002).

2.3.4 Self-Determination Theory Critique

Self-determination theory is a theory of motivation which suggests that optimal human functioning arises from the satisfaction of the three basic human needs of competence, autonomy, and relatedness (Ryan & Deci, 2000). One of the main limitations of self-determination theory is the lack of examination of alternative needs. It may be the case that there are other types of positive experiences which makes this theory incomplete.

Moreover, self-determination theory suggests that employees are more likely to engage in a behaviour if they perceive that the motivation to do it comes from within them rather than from an external, controlling agent (Osbaldiston & Sheldon, 2003). Extrinsic motivation in self-determination theory varies along a continuum that reflects degrees of autonomy and rewards have been classified

as externally regulated which is often associated with lower well-being (Ryan & Deci, 2006). However, self-determination theory fails to recognise that an employee can be intrinsically motivated by rewards but extrinsically motivated at the same time.

For instance, promotion possibilities provide intrinsic motivation which are potentially more profound than the extrinsic motivation of monetary compensations (Van Herpen, Van Praag & Cools, 2005). However, apart from the intrinsic motivational aspect of promotions which take the form of higher positions in the organisational ranks, increase in employee's status and new challenges, promotions also provide an increase in monetary value which is extrinsic in nature. Interestingly, the extrinsic motivational factor of money in the form of bonuses is also an indicator of a well-performed job which provides intrinsic value to the compensation. This shows that although self-determination theory states that internalisation is fully accomplished when employees experience intrinsic motivation, the extrinsic aspect of rewards cannot be completely excluded.

The focus within self-determination has traditionally been on need satisfaction and not on need thwarting. However, to fully understand the effects of basic psychological needs, both need satisfaction and need thwarting should be examined. In their review, Van den Broeck, et al., (2016) affirm that another limitation is that the vast majority of studies within the self-determination theory literature use self-reported data to assess constructs. The authors claim that research linking basic psychological needs to other objective outcomes would be useful. However, using qualitative research to examine both ends of the motivational continuum opens interesting views about perception of the needs.

2.3.5 Concluding Remarks on Self-Determination Theory

In this research study, the researcher draws on the work of Deci and Ryan's (1985, 2000, 2002, 2008) and Ryan and Deci's (2000, 2001, 2008) to make an

argument that apart from reward expectations, employees seek to satisfy their basic psychological needs when choosing to engage in reward-seeking behaviour. Deci and Ryan's (1985, 2000, 2002, 2008) and Ryan and Deci's (2000, 2001, 2006, 2008) emphasis on competence, autonomy and relatedness is especially useful to this analysis as it allows the researcher to decipher what aspects of bonuses and promotions provide a self-determined state for positive well-being. Also, the authors' attention to the nonself-determined state is of value for informing how employees lack the intention to engage in reward-seeking behaviour and what is its influence on their well-being. For this reason, the authors' conceptualisation of self-determination is generative for grasping how the internalisation aspect influences employees' decisions to change their behaviour for a bonus or promotion and its influence on well-being.

So far, the expectations and self-determination aspects of bonuses and promotions have been reviewed. The next section reviews literature on reward-seeking behaviour and its relationship with employee well-being.

2.4 Reward-Seeking Behaviour and Well-being

This thesis examines the relationship of reward-seeking behaviour and well-being through reward expectations and self-determination. Since the subject of the inquiry is the interrelationship of reward-seeking behaviour and well-being, it is necessary to give some attention to the meaning of these terms.

2.4.1 Defining Reward-Seeking Behaviour

The definition of employee performance will be provided so as to comprehend its role in reward-seeking behaviour. Employee performance can be defined as to what an employee does or does not do including aspects such as the quantity, quality and timeliness of output, presence at work and the extent of cooperation (Gungor, 2011). Such performance is potentially controllable by the employee

through his/her expectations and internalisation that make its maintenance over time possible.

But employee performance may also be the result of the affective reaction of an individual to work-related stimuli (Landy, 1978). In such cases, the level of performance "...is an indication of the potential power that those stimuli have for affecting the individual's behaviour" (Landy, 1978, p.533). Therefore, the attractiveness of the stimuli is reflected in employee performance or as it is referred to in this thesis in reward-seeking behaviour.

It is important to specify that the process of reward-seeking and reward outcome are different concepts. The focus, here is on the process since by definition, process performance precedes outcome performance (Taris & Schaufeli, 2015). In other words, process performance is deemed to be prompted by the expectations and motivation of engaging in such behaviour whilst outcome performance relates to the actual output resultant from that behaviour. The current study uses the term reward-seeking behaviour in place of process performance by choosing bonuses and promotions as the work-related stimuli.

The affective reaction of bonuses and promotions as stimuli, in turn, mediated much of the relationship between motivation and performance. According to Kopf (1992) in his article on expectancy theory, low performance is denoted as 'unmotivated' and high performance as 'highly motivated'. In parallel, the self-determination continuum has 'amotivate' at the far left, considered as the most nonself-determined form of regulation, and 'intrinsic motivation' as the most self-determined behaviour at the far right. 'Amotivated' employees lack the intention to act whilst "intrinsic motivation" represents the doing of an activity for its inherent satisfactions. Similarly, Marin (1990) argues that "It is common knowledge that among apparently normal individuals, there are some who are relatively apathetic and others who are highly motivated" (Marin, 1990, p.24).

Conceptually, 'amotivated', 'unmotivated' and 'apathetic' refer to employees who lack motivation to perform whilst 'intrinsic motivation' and 'highly motivated' signify high levels of performance. For the purpose of this thesis, the term apathetic is used to refer to low levels of reward-seeking behaviour whereas highly motivated is used to refer to high levels of reward-seeking behaviour. The differing degrees of engagement in reward-seeking behaviour is deemed to have an influence on employees' well-being and in this regard, the next section defines well-being.

2.4.2 Defining Well-being

Zheng et al., (2015) claim that human beings have pursued well-being since ancient times. However, Halleröd and Seldén (2013) assert that the different definitions of well-being and its widespread application to diverse areas portray the complexity of human life and the disagreements about what aspects of life are more important than others. For instance, Diener's (1984) conceptualises well-being as having three primary components which consist of life satisfaction, positive affects, and negative affects. Similarly, Argyle and Martin (1991) state that subjective well-being is composed of two aspects which are the cognitive aspect - that is usually conceptualised as a person's satisfaction with life, and the affective aspect - comprising of a person's feeling of happiness or sadness.

The concept of subjective well-being is further expanded in the literature by Headey and Wearing (1991) who contend that some individuals tend to enjoy higher levels of subjective well-being than others and that people who are happier at one point in time tend to be happier at later times. Thus, when an individual maintains an equilibrium pattern, his/her well-being is not affected. However, when certain experienced events deviate him/her from the equilibrium pattern, that person's level of subjective well-being changes (Headey & Wearing, 1991).

Literature embraces positive and negative aspects of well-being as two related but also independent constructs (Karademas, 2007). For clarity's sake, a distinction is made between positive and negative well-being wherein:

...positive well-being is represented through the cognitive and affective reactions to the perception of adequate personal characteristics and achievements, efficient interaction with the world and social integration, and positive progress in time [whilst] negative well-being could be defined as the cognitive and affective response to perceived deficit in the aforementioned areas (Karademas, 2007, p.278).

In essence, the two correlated components of subjective well-being include judgement on life satisfaction and having a preponderance of positive feelings compared to negative ones (Diener, et al., 1999). Narrowing this to an individual level, subjective well-being capitalises on the individual's emotional state on a particular aspect of life as to whether it meets the standards or expectations about life (Efklides & Moraitou, 2013). In other words, well-being can be equated with the relative amount of time a person experiences positive affects versus negative affects (Diener, Sandvik & Pavot, 1991). These positive and negative feelings can be captured through the individual experiences and his/her cognitive evaluations (Busseri & Sadava, 2011).

Warr's (2011) two dimensional view of subjective well-being model features "pleasure" and "arousal" as two independent dimensions. Warr (2011) describes an individual's subjective well-being in terms of its location relative to these two dimensions. For instance, feeling calm and contented implies a lower level of activation (lower right quadrant) compared to feeling excited, energetic or enthusiastic (upper right quadrant). Similarly, unpleasant emotions may range from fatigued, sad, miserable and dejected (lower left quadrant) to feeling upset, anxious, or tense (upper left quadrant). These descriptors are also interrelated to employee performance as when arousal and pleasure are both positive, it is often associated with high levels of engagement whilst negative emotions lead to varies degrees of low levels of engagement.

However, Ryan and Deci (2001) argue that well-being is not only related to pleasure and arousal but also includes another perspective which concerns the human potential power resulting from personal achievement and self-actualisation. Similarly, Warr (2011) defines happiness instead of well-being and states that the overarching concept of happiness has two principle aspects; well-being and self-validation. The author argues that well-being is the consequence of the satisfaction of desires in general (through pleasure and arousal) whilst self-validation involves positive feelings that are linked to the attainment of certain personal meaningful goals. Rewards do provide a sense of achievement or self-validation when achieved. However, the extent of pleasure and arousal experienced during the process of reward-seeking behaviour may vary. This is because there is certainly a strong implication that to understand well-being, there is the need to explore aspects of work-life balance.

Work-life balance can be defined as the perceived sufficiency of the time available for work and social life (Gröpel & Kuhl, 2009). Guest (2002) argues that a balance between work and life does not refer to an equal weighting of the two, instead an employee searches for an acceptable and stable relationship between these two aspects. In fact, due to subjectivity, the desired balance may differ considerably between individuals and according to circumstances (Guest, 2002).

The factors that affect employees' perception on work-life balance include the extent to which work or private life is a central life interest, and personality aspects such as need for achievement and involvement (Guest, 2002). Hence, if these factors are not satisfied, employees may also experience work-life imbalance. An 'imbalance' refers to an occupational stressor based on lost resources of time, energy, and feelings toward work and personal life (Fisher, 2001). Time may be considered lost when for instance the amount of time spent at work is extensive compared to time spent in non-work activities. The latter may also have a repercussion on employees' energy levels as they may not have any energy available to pursue non-work activities after a full-day's work.

Ironically, energy levels are often ignored even though in the context of rewards, they need to be taken explicitly into account as will be discussed in the next section.

2.4.3 Reward-Seeking Behaviour and Well-being Relationship

Clearly, the link between reward-seeking behaviour and employee well-being in organisational studies is still an underdeveloped research area. Yet, despite the fact that research on intrinsic motivational tendencies clearly shows that human beings are endowed with a natural inclination to achieve, it is evident that maintenance and enhancement of this inherent propensity requires supportive conditions (Deci and Ryan, 2000).

Prior research suggests that there is conceptual and empirical support of the association between rewards and well-being. More specifically, rewards have the ability to increase engagement, performance (Gungor, 2011), satisfaction (Kosteas, 2011) and motivation (Van Herpen, Van Praag & Cools, 2005). For instance, if money constitutes a reward for an employee, then the more money he/she makes, the more attracted, he/she will be to engage in reward-seeking behaviour. The presumption that money is a motivator is embedded in the operation of executive pay markets where large bonuses are likely to be powerful in steering and shaping behaviour (Cox, Brown & Reilly, 2010).

The main explanation for the effect of rewards on positive well-being is that it affects income and occupational status, both of which are causes of happiness (Argyle, 2003). However, it is the individual's cognitive element that leads one to perceive whether he/she experienced a positive or negative well-being. The thought process recognises whether the extrinsic reward is the cause of one's pain or pleasure which may cause an ongoing behaviour to be continued or interrupted (Frijda, 2003). Thus, the consequence of certain cognitive or behavioural processes as well as their cause may lead to positive emotions (Huppert, 2009).

The relation of emotions to positive well-being is based on having more positive emotions and less negative ones, for an individual to have a fairly high subjective well-being (Ryan & Deci, 2001). Huppert (2009) contends that feeling good incorporates not only the positive emotions of happiness and contentment, but also emotions such as interest, engagement, confidence, and affection. However, experiences of painful emotions, such as disappointment or failure, are accepted as an integral part of an individual's career as long as the individual manages these negative or painful emotions (Huppert, 2009).

Landy (1978) states that at any specific point in time, an individual occupies a point on a continuum that ranges from a strongly positive emotional state to a strongly negative one. In fact, "...rewards are thought to be linearly and additively related to general emotional state on a satisfaction-dissatisfaction continuum" (Landy, 1978, p.535). In contrast, Warr's (1987) vitamin model challenges the assumption that there is a linear relationship between job characteristics and indices of employee well-being. The vitamin model holds that job characteristics are analogous to the non-linear effects that vitamins have on the individual's physical health (De Jonge & Schaufeli, 1998). In the beginning, vitamins are beneficial on the human body, however beyond a particular level of intake no further improvement is observed. Furthermore, an overdose of vitamins may be toxic.

Following this line of reasoning, the reward-seeking behaviour from bonuses and promotions may initially have the same beneficial effect on employees' well-being whilst the absence of rewards may impair their mental health (De Jonge & Schaufeli, 1998). However, beyond a certain required level, reward-seeking behaviour may not produce higher positive effects as a plateau stage would have been reached whilst further increase in reward-seeking behaviour may be harmful and impair mental health (De Jonge & Schaufeli, 1998). This assumption and any similar trends on the effect of the employees' change in behaviour on well-being is further investigated by this research study.

Although it has been argued that the relationship between reward-seeking behaviour and well-being may be linear or non-linear, this thesis main focus is on how the expectancy theory and the self-determination theory influence employees' reward-seeking behaviour from bonuses and promotions, and their well-being. In this regard, the next sections review the commonalities of the expectancy theory, the basic psychological needs of the self-determination theory, reward-seeking behaviour, and well-being.

2.4.3.1 Expectancy and Reward-Seeking Behaviour

Expectancy is directly related to the probability that an increase in effort shall yield a better performance. The magnitude of the motivating potential inherent in rewards varies amongst employees according to their different abilities and needs. However, the more successful employees are, in achieving effective performance, the more rewards (or fewer punishments) they receive.

Specifically, if the response of the reward-seeking behaviour results in a reward, the probability of repeating this behaviour in the future is increased (Sheynin, et al., 2015). Alternatively, if the reward-seeking behaviour results in a punishment, the probability of repeating the same action is decreased (Sheynin, et al., 2015). Hence, behaviour highly depends upon rewards and punishments that have been experienced before, which leads to the selection that promises to be most beneficial or most distantly associated with a punishment (Ressler, 2004).

In contrast, those conditions associated with relatively low motivation, that is having no association between the attainment of rewards and performance, should produce little or no effect of performance on satisfaction (Vroom, 1964). For instance, if an employee expects that his/her chances of being promoted are independent of the level of performance, he/she will perform less effectively compared to desiring a promotion and believing that the chances of receiving it are directly related to the performance (Vroom, 1964).

However, in the pursuit of attaining established goals, employees may be involved in sustained and unpleasant effort to overcome obstacles and restrictions (Warr, 2011). In order to gain a better understanding of the effort exerted during the process of reward-seeking behaviour and its outcome, the relationship between instrumentality and effort-reward imbalance has been reviewed in the next section.

2.4.3.2 Instrumentality and Effort-Reward Imbalance

In line with the instrumentality aspect of the expectancy theory, the concept of effort-reward imbalance measures the experience of imbalance between employees' efforts spent to achieve a reward and a perception of low reward received in return. This model developed by Siegrist et al. (1986), has also been highly researched over the past years. When an employee perceives that there is an imbalance between the effort spent and low reward received, his/her core expectations about reciprocity and adequate exchange are violated. As a consequence, this imbalance situation can be stressful for the employee (Siegrist, 1996).

For instance, an effort-reward imbalance situation may occur when an employee believes that he/she is exceeding expectations by assuming extra work and additional responsibilities without being offered any promotion prospects (Siegrist, 1996). Subsequently, if an imbalance is present for a long time, it may contribute to the development of physical and mental health problems (van Vegchel, et al., 2005). De Jonge et al. (2000) augment additional weight to the lack of reciprocity between the costs and gains associated with rewards as they argue that it may cause a state of emotional distress which can lead to cardiovascular risks and other strain reactions (Jonge, et al., 2000).

The additional work and responsibilities may also disrupt the work-life balance of an employee. In this regard, the valence of the reward and its influence on work-life balance shall be reviewed in the next section.

2.4.3.3 Valence and Work-Life Balance

As stated earlier, the concept of valence incorporates the relationship between the reward outcome and the employees' personal goals. In fact, work-life balance may be regarded as an employee's personal goal in order to experience positive well-being. However, the possibility of achieving a satisfactory work-life balance is proving an elusive goal for more and more employees (Taylor, 2002).

The issue is that employees' work-life balance goals may conflict with reward-related goals. For instance, an employee may experience a dilemma between spending more time with the family, and his/her aims of maximising his/her bonus amount or to be promoted in the near future. Notwithstanding of these conflicting goals, individuals may engage in reward-seeking behaviour for short-term spurts of positive feelings even though this behaviour does not enhance their level of well-being (Diener & Diener, 2000).

Working very long hours and ignoring personal relationships and interests to meet work demands are common examples of reward-seeking behaviour (Sansone & Harackiewicz, 2000). Although working long hours is considered as a prime stressor, contrastingly and on a positive note, long hours may lead to higher earning and a faster rate of career progression, which have some positive effects on personal well-being (Gray, et al., 2004).

However, the latter cannot be taken at face value as there are other variables that determine whether the benefits of working long hours outweigh the disadvantages or otherwise. These variables may comprise of the length of time an employee has been working these extended hours, the expected duration and whether an employee is able to honour other personal commitments due to these long hours. Even more, the effects of work time on well-being highly depends on whether an individual opts to work long hours voluntarily or not (Bell, Otterbach & Sousa-Poza, 2011).

Gray et al. (2004) argue that positive effects are more likely when working long hours is through choice rather than coercion and the employees view work as intrinsically rewarding. The latter aspect concurs with the satisfaction of the need of competence of the self-determined theory. Thus, the impact of long hours on personal well-being is determined by the reasons and for what intentions individuals work those hours such as financial necessity, fear of job loss or simply the intrinsic enjoyment of the job (Gray, et al., 2004).

Bonebright, Clay and Ankenmann (2000) state that there are three causal reasons why an individual dedicates excessive hours to work. These include immense enjoyment and fulfilment derived from doing work tasks; the uncontrollable urge or need to work; even when little or only momentary satisfaction is derived; and the craving for reward and recognition (Bonebright, Clay & Ankenmann, 2000). Although negative effects on well-being are more likely to occur when there is a mismatch between actual and preferred work time (Bell, Otterbach & Sousa-Poza, 2011), the reasons for dedicating long hours at work highlighted by Bonebright, Clay and Ankenmann (2000) do not contribute towards a positive well-being.

As work hours increase, employees find difficulty to balance personal and family needs with work demands (Bonebright, Clay & Ankenmann, 2000). Gray et al. (2004) assert that concerns related to long working hours revolve around employees' inadequate rest and reduced time to spend on non-working activities for a reasonable quality of life, as well as to do their jobs effectively. Working long hours may act as a direct stressor as employees are expected to perform adequately despite fatigue but also as an indirect stressor by prolonging exposure to other sources of job stress (Gray, et al., 2004). Narrowing this argument to employees of a financial institution, Hasan and Akter (2014) argue that a major stressor for these employees is that although they are fully cognisant of the time of reporting at work, they may not have a specific leaving time.

The increasing use of mobile phones and laptop computers also tend to increase stress levels by decreasing the amount of downtime an employee truly has when absent from work (Luthans, Vogelgesang & Lester, 2006). Some suggest that human resources managers should encourage a reduction in working hours and they may set standards by reducing their own work hours and also by enforcing lower expectations of employee work hours and availability (Sparks, Faragher & Cooper, 2001). In fact, a large body of literature on the relationship between work hours and adverse health effects range from general exhaustion, fatigue, stress, unhappiness and depression, to diabetes, impairment of the immune system, hypertension, and severe cardiovascular risk and disease (Bell, Otterbach & Sousa-Poza, 2011).

In essence, "...the generation and attainment of a succession of goals, is a matter of negative as well as positive feelings at different times and in different respects" (Warr, 2011, p.162). The next section reviews the satisfaction of the basic psychological needs of the self-determination theory with respect to reward-seeking behaviour and well-being.

2.4.3.4 Self-Determination Theory, Reward-Seeking Behaviour and Well-being

Self-determination theory is "... an empirically based theory of human motivation, development and wellness" (Deci & Ryan, 2008, p.182). It is based on the relationship between performance and employee well-being focusing on the degree to which work fulfils basic psychological needs, namely – competence, autonomy and relatedness. Fulfilment of these needs trigger different types of motivation and in turn this motivation affects employees' reward-seeking behaviour.

In the workplace, satisfaction of the basic psychological needs is associated with successful work performance and enhanced employees' positive emotions and

lowered negative emotions (Tong, et al., 2009). In contrast, when the three innate psychological needs are thwarted, the employee experiences diminished motivation and well-being (Ryan & Deci, 2000). So, despite the fact that an institution may attempt to foster reward-seeking behaviour in employees through rewards, ultimately the latter's motivation for the behaviour may range from amotivation, passive compliance to active personal commitment (Ryan and Deci, 2000). The decision to change the behaviour is highly dependent on whether the competence, autonomy and relatedness needs shall be satisfied or thwarted.

2.5 Literature Gap

Self-determination theory assumes that the three needs of autonomy, competence, and relatedness predict psychological growth, internalisation, and well-being over and above the effects of any other possible need (Van den Broeck, et al., 2016). However, there is lack of research comparing and integrating basic psychological needs to other possible needs as well as to constructs from other motivational theories (Van den Broeck, et al., 2016). In this regard, this thesis combines self-determination theory with expectancy theory as the latter posits a motivational mechanism that could also be affecting psychological growth, internalisation, and well-being.

Indeed, the combination of these two theories provides the theoretical framework for the change in employees' reward-seeking behaviour and its influence on well-being. It is evident that expectancy theory concentrates on quantity of motivation whilst the self-determination theory focuses on quality of motivation. Both theories claim that performance ranges from low to high with the main distinction being the terminology. Kopf (1992) in his article on expectancy theory coins low performance as 'unmotivated' and high performance as 'highly motivated' whilst the self-determination theory claims that the type of motivation ranges from 'amotivation' that represents low performance to 'intrinsic motivation'.

This chapter also argues that reward-seeking behaviour and well-being are interconnected. Indeed, well-being may be construed as an individual-level concept wherein the employee's change in behaviour accounts for differences in his/her well-being. However, it is evident that the relationship between reward-seeking behaviour and well-being requires further research in the organisational context as little is known about the process underlying this relationship.

As yet, there is no consensus in the literature about whether this change in behaviour influences positively or negatively employees' well-being. Therefore, this research study addresses this gap by examining the role of expectations and basic needs fulfilment from bonuses and promotions as mediators between reward-seeking behaviour and employee well-being. The core gap that this thesis addresses is the effect of the change in reward-seeking behaviour on well-being from the employees' point of view, through the following research question:

How does the expectation and self-determination of earning a bonus and/or promotion influence employees' reward-seeking behaviour and well-being?

3 Methodology

This chapter explains the research design and methodology that are derived from the consideration of the previous chapter - the literature review, which highlighted; the expectancy and self-determination concepts of extrinsic rewards - particularly of bonuses and promotions; the limited research on reward-seeking behaviour; and employee well-being.

3.1 Research Design

The rationale of this thesis is to develop an understanding of the process of reward-seeking behaviour and its influence on employee well-being. To date, rewards and performance literature suggest that employees are offered an extrinsic reward to instigate a change in their behaviour, but the process of this change in behaviour is not specified in relation to their well-being. Indeed, this thesis focuses on the employees' point of view rather than on the employers' beneficial attainment from rewards.

Previous research overlooks the important question on how reward-seeking behaviour influences employee well-being as the focus has always been on business results. It is important to fill this gap so as to have a better understanding of the relationship between reward-seeking behaviour and employee well-being. Specifically, on the effect of the changes in employees' behaviour made to enhance the probability of being rewarded, on their well-being. This thesis needs to fill in this area of theory.

In Malta but even in other countries, it is evident that the financial services sector relies on bonuses as a rewarding strategy. Moreover, financial institutions have a hierarchical structure which permits its employees to move from one level to another and thus promotions feature as an integral part of their rewarding strategy. Bonuses and promotions were chosen as the core reward elements of

this research study as bonuses represent a monetary incentive which is not added to the employees' salary whilst promotions offer more permanent benefits including but not limited to an increase in salary. The researcher's intentions are to analyse whether there is a difference in the process of reward-seeking behaviour for a one-time bonus compared to the benefits of promotions that are deemed as more permanent.

For clarity's sake, a distinction is made between bonus plans and performance incentive plans which difference mainly lies in the length of the performance measurement period. Bonus plans have a one year performance horizon while performance incentive plans reward employees for improved performance over a three to six year period (Arora & Alam, 1999). Park and Sturman (2012) argue that since bonuses are immediately liquid compared to long-term incentives that have time-related restrictions, the effect of bonuses should be greater than that of long-term incentives (Park & Sturman, 2012).

The research framework of this thesis draws on the expectancy and self-determination theories. An epistemological stance that conceptualises well-being through the co-ordination of subjective dimensions of employees' knowledge is the basis for this research study. The latter approach is helpful in tracing its developmental origins and to gain knowledge of the social reality of how reward expectations and employees' self-determination translate into employees' willingness to engage in reward-seeking behaviour. Specifically, an epistemological stance allowed an understanding of the subjective properties, that is, how employees set up their perceived viewpoints and how they may have been manipulated to represent different degrees of subjectivity (Mushin, 2001).

Audi (1998) affirmed that self-knowledge is characterised by mental phenomena including thinking, inferring and believing. In addition, the author acknowledged that an inference that begins with truth may not end with the truth (Audi, 1998). The general conclusion:

...is that whether one is justified in believing something, or knows it, depends not only on one's specific evidence for it but also on a pattern of factors including one's relation to the proposition itself and one's particular circumstances (Audi, 1998, p.169).

Thus, to begin an exploration of the structure of knowledge and justification, the individuals' perception needed to be captured. In this thesis, the researcher used the two well-being components proposed by Diener, et al., (1999) to assess the employees' reality. These included employees' judgement on reward satisfaction in comparison to their expectations, as well as how the preponderance of positive feelings compared to negative ones influences employees' motivation to pursue that reward, their development and wellness.

In fact, the researcher grasps the subjective meaning by recalling to the employees' memory so as to understand how employees' expectations and determination to earn a bonus and/or promotion, motivated or otherwise their level of engagement in reward-seeking behaviour, with an additional focus on its influence on their well-being. Hence, the individual's reality construction rather than the actual truth is captured, as it is based on thoughts, beliefs and self-interest.

Although epistemology mainly deals with the knowledge of the human mind, it is also intertwined with a social context (Goldman, 1986). Goldman (1986) adds that one of the major components of epistemology is its evaluative aspect. Hence, the researcher deemed that an interpretive approach is most fit because reward expectations, self-determination, reward-seeking behaviour and well-being are not seen as separate entities but related through the employees' perception of their lived experience. This is in line with Golden-Biddle and Locke's (2007) contention, that is, the field and academic worlds should be connected via literature-based ideas that illuminate insights garnered in the field, and produce knowledge claims that are viewed as unique contributions. In this regard, the researcher's focus was to understand employees' constructed reality and determine meanings that originate from the data collected.

The researcher compared qualitative, quantitative and mixed methodologies approaches. Due to the fact that capturing employees' reality was an integral part of this study, a qualitative approach was deemed as most appropriate. In fact, Bansal and Corley (2012) claim that a critical element of qualitative research is to offer detailed accounts of data sources and analysis. By communicating the journey, the researcher:

...gives meaning to the accounts of the data and emergent theory as well as signalling the quality of the research exercise, the credibility of the researcher, and, ultimately, the trustworthiness of the data and the emergent theorizing (Bansal & Corley, 2012, p.510).

Qualitative techniques embrace constructivist approaches, where there is no clear-cut objectivity or reality (Cassell & Symon, 1994). Cassell and Symon (1994) identify the following characteristics of a qualitative study:

- focus on interpretation rather than quantification;
- emphasis on subjectivity rather than objectivity;
- flexibility in the process of conducting research;
- an orientation towards process rather than outcome; and
- a concern with context as inextricably linked in forming experience.

The above-mentioned strengths of qualitative research justify its use for this research study, as it allowed for ambiguity as regards interpretive possibilities and the researcher's construction of what is explored becomes more visible (Alvesson & Skolberg, 2000). The role of a qualitative researcher is thus to contribute to knowledge, how organisational phenomena occur and what they mean (Golden-Biddle & Locke, 2007). Therefore, by making avail of a qualitative approach, the researcher was in a position to provide a rich description that gives the reader enough detail to understand the situation and not just quantifying the findings as in the case of quantitative research (Firestone, 1987).

In essence, the researcher's aim was to obtain an accurate and authentic view of epistemological standards underlying the process employees' go through to earn a bonus and/or a promotion. These epistemological standards represent

personally accepted paths to employees' knowing, as acquired from their experiences at the workplace, and the basis on which employees treat their arguments as worthwhile (Kuhn, 1991). This acquisition of knowledge was made possible by combining epistemology, interpretivism and qualitative technique as depicted in Figure 3.

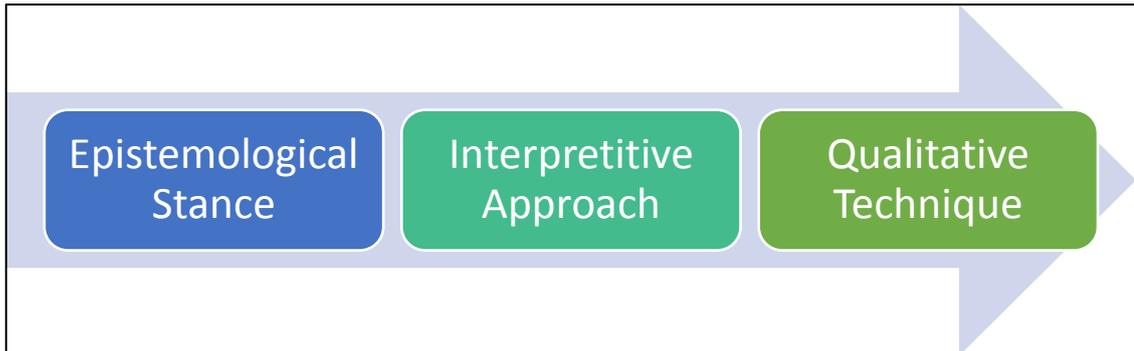


Figure 3: Research Framework

3.2 Research Question

The main arguments presented pose to the study the following main research question:

How does the expectation and self-determination of earning a bonus and/or promotion influence employees' reward-seeking behaviour and well-being?

Figure 4 depicts the underlying concepts of the research question, wherein the expectation and self-determination of earning a bonus and/or promotion may influence the level of engagement in reward-seeking behaviour, which behaviour affects positively or negatively employee well-being. After a complete cycle, employees' evaluate their reward experience, which in turn may have an influence on the expectation and self-determination to re-engage in reward-seeking behaviour for the same reward.



Figure 4: Research Question Concepts

3.3 Research Methodology

The research methodology is a scientific investigation which moves from enunciating the problem, to collecting the facts or data, analysing these facts and reaching certain conclusions either in the form of solutions or recommendations towards the concerned problem (Kothari, 2004). In line with the latter systematic approach, this section first discusses the choice of research methodology, and then the research context and data collection process. Subsequently, the data analysis approach and the reliability and validity of data are explored.

3.3.1 Choice of Methodology

The choice of research methodology outlined below shows that the ways of discovering knowledge was not static but changed during the research process (Grix, 2002). The scope of this research study is to utilise a grounded theory approach. Backman (1999) asserts that grounded theory provides the possibility to study the meaning of events for people but does not necessarily do so by following the chronological stages of the traditional research process. In fact, a qualitative methodological approach was deemed as the most appropriate for this

research study as it relies on continuous comparison of data and theory, beginning with data collection (Eisenhardt, 1989). This method was also useful to improve theory.

However and most importantly, as has been the case, data collection, data analysis and formulation of grounded theory take place at the same time (Backman, 1999). The researcher, as well, was cognisant that at the outset of the study she needed to identify and suspend whatever she knew about the experience being studied and had to approach the data without any preconceptions so as not to affect theory or model development (Backman, 1999). As the knowledge needed to be formulated at the employees' level, it was subject to their personal experience and interpretation of events.

3.3.2 Research Context

The researcher chose the financial services industry in Malta as the research context for this thesis. Malta is a country with one of the lowest unemployment rates in the European Union. In July 2017, Malta's unemployment rate was 4.1%, placing as the third country with the lowest unemployment rate (Eurostat, 2017). January 2018 statistics show that the unemployment rate has gone down further to 3.5%, placing second to Czech Republic (Eurostat, 2018). Due to this shortage in the labour market in Malta, companies have to rely more on offering enticing rewards in order to recruit new employees and also to retain existing ones. Thus, organisations offer bonuses and promotions as recruitment and retention strategies. Furthermore, in Malta, academic research in the area of employee well-being is still under-researched even though the workplace exerts great influence on employee well-being.

The financial services sector has been chosen as the sector for this research study since it is a rapidly growing and dynamic industry in Malta (FinanceMalta, 2016). Over the past decade or so, the financial sector in Malta has transformed itself from one having four retail banks serving the local population to a reputable

international banking centre (FinanceMalta, 2016). This influx has added dynamism to Malta’s financial services industry and is now considered to be one of the main pillars of the Maltese economy. A thriving financial sector in Malta allows for the provision of good salary packages, incentives and career opportunities, and over time financial institutions became to be viewed as great employers. In addition, the financial services sector is a highly regulated sector and any breaches of the employment contract may disrupt harmonial industrial relations as well as lead to bad publicity, fines and sanctions.

The next decision related to the size of the institutions that were going to be invited to be participants of this research study. The European Commission defines small and medium-sized enterprises as having less than 250 employees whilst large enterprises include those who employ more than 250 employees (European Commission, 2016). The number of Maltese financial institutions at the time this investigation started is depicted in Table 1 (Malta Financial Services Authority, 2016).

Table 1: Malta Financial Services Authority Register

Number of Maltese Financial Institutions	Type of License
43	In terms of the Financial Institutions Act 1994
29	Credit Institutions
35	Insurance Undertakers
27	Authorised to act as a Trustee or Co-Trustee to provide Fiduciary Services in terms of the Trusts and Trustees Act 1989
171	Investment Services Providers

The financial institutions selected for the purpose of this research study comprise of one large-sized institution (Institution A) and two other institutions which are classified as small-medium sized enterprises (Institution B and C). The inclusion

of small-medium sized enterprises as a unit of analysis enhances existing literature as "...small businesses have been relatively overlooked to date in terms of how they can manage employee well-being" (Kowalski & Loretto, 2017, p.2246).

Apart from the number of employees, the institutions also differ by the number of years they have been operating in Malta. Specifically, Institution A and Institution C have been established for over 30 years whilst Institution B has been operating for less than 12 years. Furthermore, the license of the selected institutions varies from insurance undertakers, credit institutions, investment services providers, whilst some are also authorised to act as trustees.

The strategy adopted for this research study comprised of investigating few cases in considerable depth (Gomm & Hammersley, 2000). The research was conducted in three relatively homogeneous financial institutions in Malta so that the methodological argument for cross-case analysis was correspondingly strong (Gerring, 2007). One of the selected financial institutions is the author's own organisation and thus this occurrence also posed to the researcher the opportunity to acquire 'understanding in use' rather than 'reconstructed understanding' (Coghlan, 2005a).

All three institutions have a performance management system in place that provides employees with a structured and formal process, which if well managed, enhances the elements of consistency and homogeneity across the organisation. To this effect, along each financial year, employees are made aware of their level of performance, specifically in what areas they are performing well, as well as those where an improvement is required. The performance management system also serves as a platform for bonus distribution and promotion exercises.

Institution A and C make use of a bonus pot as the mechanism for the allocation of funds for reward distribution, which is ultimately determined by the financial

institution's annual results. Once the bonus pot size is established, each employee's individual bonus payment is calculated according to his/her performance appraisal score. Hence, the bonus awarded depends on the rating given to employees by their direct superior. However, Institution B distributes a percentage of the annual salary of the respective employee.

Institution A provided its bonus distribution framework which comprises of:

- 35 per cent of the total bonus pot to be allocated according to the corporate financial performance and is distributed equally to all employees eligible for a bonus;
- 35 per cent of the total bonus pot is dependent on the achievement of team targets; and
- 30 per cent of the total bonus pot is dependent on the performance of the individual employee.

Institution B and Institution C did not provide the actual mathematical calculation. However, Institution C's common practice is that an employee is allocated a one-time bonus from one per cent to 10 per cent of the annual salary. In exceptional circumstances, certain employees were awarded 13 per cent of their annual salary as a bonus - a decision which had to be endorsed by the respective executives.

In all the institutions under study, the employees' performance is not only measured for bonuses purposes but it is also a catalyst for promotion opportunities. In filling vacancies, these financial institutions show commitment towards their employees by giving first preference to their current workforce. Even though these financial institutions reserve the right to fill jobs with employees having the same level as that of the vacant post, they normally issue a call for application to incentivise their existing employees.

Only in cases where the institutions feel that other competencies besides those residing within the organisation are necessary, is an external call issued independently and/or simultaneously with the internal call. The published internal call includes clear selection criteria based on a number of factors including and not limited to past performance, general aptitude and qualifications required.

Thereafter, an interviewing panel decides who the most competent applicant for the post is. In case of an internal promotion, the successful applicant's salary is immediately placed in the new higher level upon appointment, subject to a qualifying performance evaluation period of six or 12 months, after which time the incumbent will be confirmed in the job or otherwise.

The emphasis is on comparing the pre-specified phenomenon across institutions, as well as, across groups within these financial institutions (Hartley, 1994). Mainly, the focus was on comparing employees' willingness to engage in reward-seeking behaviour in accordance to their reward expectations and self-determination and what influence does this change in behaviour have on their well-being. Indisputably, this strategy's advantages outweigh the mentioned disadvantages as it allows for the identification of new phenomena as well as provides a historical explanation (Sprinz & Wolinsky-Nahmias, 2007) of the reward-seeking behaviour process.

3.3.3 Data Collection

This research study examined rewards for financial institutions' employees whose employment conditions are either governed by a collective agreement or else have a senior management position or lower. Hence, this automatically eliminated discussions of rewards for subsets of employees, such as executives.

3.3.3.1 Sample

At the beginning of the study, the researcher chose one or two human resources managers from every organisation who have broad general knowledge of how bonuses and promotions are awarded within their organisation. This purposeful sample armed the researcher with the opportunity to adequately generate and delineate the questions that were to be asked to the participants of this thesis. In fact, this data and subsequent analysis set the tone or highlighted the direction for further theoretical sampling (Cutcliffe, 2000). This approach was congruent with Corbin and Strauss (1990) who state that:

...in order not to miss anything that may be salient to the area under study, the investigator must analyse those first bits of data for cues, and incorporate all seemingly relevant issues into the next set of interviews and observations (Corbin & Strauss, 1990, p.6).

The researcher intended to make use of a stratified random sample for all the three financial institutions. However, access to employees' information was one of the items that had to be negotiated during the gatekeeping process. In fact, Institution A did not find any difficulty in supplying the researcher with an employees' list, subject to data confidentiality and anonymity. However, Institution B and Institution C had reservations to provide such information and thus an agreement had been reached wherein the financial institution introduced the research to their employees and asked interested participants to directly contact the researcher. The role of the researcher in the latter cases was to explain further the aims of the research study and give the interested participants the option to either accept or decline the offer.

Hence, Institution A interviewees were selected through a stratified random sample so as to ensure that every employee has an equal probability of being selected. The population was partitioned into sub groups based on their level/grade and an equal percentage of participants were selected from each category. Specifically, Institution A has eight levels within its grading structure, with each level representing a sub group, and thereafter a random sample of two per cent from each level has been selected to be interviewed. Hence, the sample

consisted of 27 employees from the 1,293 eligible employees. The number of employees from the other two financial institutions who have eventually contacted the researcher were:

- Institution B - eight participants from a total workforce of 230 employees.
- Institution C - seven participants from a total workforce of 85 employees.

The small sample size of Institution B and C is due to the fact that employees of these institutions had to contact the researcher themselves instead of being approached by the researcher.

In all, 42 employees were interviewed, that is, 27 from Institution A, eight from Institution B and seven from Institution C. These sample sizes respectively represent two per cent, four per cent and eight per cent of the total population. The larger percentage of people interviewed derives from the smallest population, that is, Institution C, whilst Institution A has the smallest percentage of interviewees due to the fact that it has the largest population. This shows a certain level of reliability and accuracy as larger populations should have a smaller percentage of participants when compared to smaller populations which should have a larger percentage of participants.

The demographic data collected from the samples of the three financial institutions which have been depicted in Table 2, included gender, age, employment years and grade occupied in the organisation.

Table 2: Demographics

		Institution A	Institution B	Institution C
Gender	Male	12	3	2
	Female	15	5	5
Age	21-40 ¹	14	5	5
	41-52 ²	9	3	1
	53+ ³	4	0	1
Employment Years	0-10	12	8	5
	11-20	3	0	1
	21-30	6	0	0
	31+	6	0	1
Grade	Clerical	6	2	2
	Supervisory	12	3	2
	Managerial	9	3	3

3.3.3.2 Method

Employee performance is a construct that is highly dependent on the level of analysis within the organisation where the research is conducted (Suddaby, 2010). For the purpose of this thesis, employee performance is viewed from a reward-seeking behaviour perspective in relation to employee well-being. However, this construct is subject to time constraints because a certain level of engagement in reward-seeking behaviour may be temporal and may change over time.

¹ Millennials or Generation Yers: Born between 1977 and 1995

² Generation Xers: Born between 1965 and 1976

³ Baby Boomers: Born between 1946 and 1964

Of primary concern is the fact that the researcher's role ranged from a complete outsider to two financial institutions as well as a member to her own institution. Chan, Fung and Chian (2013) assert that the researcher has to be aware of one's own values, interests, perceptions and thoughts, in order to be able to put these issues aside during the research process. Hence, the bracketing method was used in this qualitative research to mitigate the effects of the researcher's preconceptions that may taint the research process (Tufford & Newman, 2010). Initial preconceptions arising from the researcher's personal experience were surfaced prior to the undertaking of this research study and were monitored throughout the research (Tufford & Newman, 2010).

The use of semi-structured interviews as the main qualitative method enabled the researcher to capture the stories that were grounded in events related to reward-seeking behaviour at an organisational level, as well as provided a better understanding of the turn of events. This is line with Golden-Biddle and Locke's (2007) view of events in organisations, which are deemed to be process and meaning based. Furthermore, Raworth et al. (2012) contend that semi-structured interviews are the best way to elicit motivations behind individuals' choices, behaviour, attitude, beliefs, and the impact of specific events on their lives.

These semi-structured interviews also offered the possibility of focusing on specific themes, which were covered in a conversational style rather than following a rigid format wherein a set of questions are asked (Raworth, et al., 2012). The researcher embraced the fact that adjustments allow her "...to probe emergent themes or to take advantage of special opportunities which may be present in a given situation" (Eisenhardt, 1989, p.539). These semi-structured interviews provided the opportunity to probe into details that would otherwise be difficult to capture with alternative methods (Gerring, 2007).

The inquiry was intended to be flexible enough to adapt to the employee's abilities to communicate those experiences, thus making each interview unique. In reality,

the participants' narrative of events reflected their past, present and future experiences. Only one interview was held with every participant, and was audio-recorded with the permission of the interviewee.

The researcher simultaneously used diary notes to document what had been happening during the data collection process both from an observational and analytical point of view. Eisenhardt (1989) points out that such notes are useful to capture whatever impressions occur because at that stage it is often difficult to establish what will be needed in the future. Body language and intonation were also taken into consideration as anthropological and psychological studies show that gestures have a central role in communication and cognition (Roth & Lawless, 2002).

The researcher also wrote theoretical memos during the data collection process. Memoing proved to be an effective way to capture hunches and presuppositions and to be able to engage more extensively with the raw data (Tufford & Newman, 2010). However, Corbin and Strauss (1990) assert that memoing is not simply about ideas but they are related to the formulation of theory and its revision during the research process that continues until the very end of the research. In addition to the interviews and field notes, analytic memoranda provided an insight of the researcher's experience during the interview in relation to other comparable situations and to what other researchers found in similar situations.

In actual fact, the data collected surfaced many important issues, however the researcher set aside those aspects that did not provide particular meaning and insights about the expectancy and self-determination of reward-seeking behaviour from bonuses and promotions, and their influence on employee well-being.

3.3.3.3 Material

The researcher was aware, that the direction and the manner questions are asked during the interview, affects the way the participants tell their stories, which may ultimately limit the generation of potential new data and affect the richness of the information collected (Chan, Fung & Chian, 2013). The sources for the themes included in the interview guide (Appendix B) were: (i) existing research literature, (ii) researcher's own personal knowledge and experience, and (iii) preliminary discussions with key employees of the selected institutions who have personal experience of the research area (King, 1994). The latter provided the researcher with a list of questions and prompts that ensured that the interview was conducted in a focused way whilst allowing an element of flexibility through prompts.

The initial questions were intended to identify the employees' expectations and motivational aspects of bonuses and the extent to which participants were satisfied with their current bonus system. From the reviewed literature, pre-identified expectations and motivations of bonuses included meeting of a variety of basic and also higher-level needs (Long & Shields, 2010); the visible and quantifiable element (Cox, Brown & Reilly, 2010), immediate liquidity (Park & Sturman, 2012) and that money may be changed for almost any good and service (Cosma & Gilceava, 2014). Other strong motives for acquiring money included promises of security, freedom, power and the actual impact of income on life satisfaction although the frustration of the quest for money may perhaps account for or contribute to lower well-being (Tatzel, 2002).

Subsequently, the researcher asked questions related to how promotion opportunities, or the lack thereof influence participants' expectations and motivations and what were interviewees' perceived chances of being promoted. Promotion benefits identified from the reviewed literature included income growth and career development (Maume, 1999; Gibbs, 1995); job satisfaction (Kalleberg & Mastekaasa, 2001); tangible outcomes and that these provide an element of security, status and skill development (Saporta & Farjoun, 2003). However,

promotions may bring more responsibility, increased workload and stress levels (Cooper, 2013) and incompetence in the new role (Fairburn & Malcomson, 2001). Additionally, those employees who have not been granted a promotion may experience a feeling of inequity (Adams, 1965); lowered self-esteem or organisational status (Campbell, 2008). These negative aspects of promotions may explain why certain employees opt not to pursue such reward. In contrast, human resources literature tends to make theoretical that promotions are warranted.

The cognitive component of well-being was measured through questions on satisfaction (Cummins, Gullone & Lau, 2002), whilst keeping in mind that employees place different values to the same reward, which value may also change over time (Brown & Reilly, 2013). However, the social component aspect of the self-determination theory was captured through specific questions on colleagues' achievements and empowerment and their effect on participants' well-being.

Following the initial discussion on bonus and promotion expectations and self-determination aspects, the researcher enquired on how these aspects influence participants' reward-seeking behaviour. The participants were specifically asked on whether they think that the change in reward-seeking behaviour influences their well-being and how. The end questions challenged interviewees to think of whether they perceive balance or imbalance between their reward-seeking behaviour from bonuses and/or promotions, and their well-being, as well as to rank in order of priority the following list:

- i. Health – free from illness or sickness
- ii. Money
- iii. Personal Job Satisfaction
- iv. Recognition
- v. Status

- vi. Well-being – being comfortable / happy
- vii. Work-Life Balance

3.4 Data Analysis

To connect the raw data with the analysed data, and the analysed data with the emergent theory, the data must provide a personal experience of the focal phenomenon and support for the emergent theory (Bansal & Corley, 2012).

3.4.1 Raw Data to Analysed Data

The raw data comprised of the interview transcripts and diary notes. The data analysis commenced from listening to the audio-recorded interview tapes whereby raw data was transcribed comprising of word-for-word quotations of the participant's responses. The transcription process was affected soon after the interview took place so as to minimise the probability of misunderstanding any important details.

One of the major challenges in converting raw data to analysed data was that the researcher asked open-ended questions. The questions were framed in a way that encouraged the explanation of the answers and allowed for observation of the reactions to the questions, thereby providing access to the interviewees' true feelings on an issue. The answers to these questions were mostly descriptive but categories were forming by noting that phrases appeared again and again during the analytical process whilst others had less prominence. For instance, prominent responses included "endless hours at work" and "less time with family" which were categorised under the heading work-life imbalanced (Appendix G).

Moreover, the researcher listed the actual quotation or the relevant part under each code so as to facilitate the process of providing a rich description to the findings of this thesis. Pratt (2008) illustrates that quotes are often categorised

as power quotes or proof quotes. The researcher made use of power quotes to effectively illustrate the participants' insights as well as multiple quotes were used for each argument to proof and substantiate what has been discussed (Pratt, 2009). These proof quotes were compartmentalised from the text in a table when presented in the findings of investigation chapter (Pratt, 2008).

The researcher also took diary notes that documented what had been happening during the data collection process both from an observational and analytical point of view by focusing more on body language and intonation. In addition, writing theoretical memos served as reflective notes whilst sorting through the data and coding it in the process. Any idea, was in fact recorded as soon as it occurred so as to ensure that the ideas were captured during the process with the intention of formulating theory during the research process (Backman, 1999).

At a later stage during the analytical process, the researcher realised that some of the initial memos became irrelevant as she was gaining a better understanding and interpretation of the data. For instance, at first she was considering “exhaustion” as a by-product of reward-seeking behaviour but then she realised that most of the interviewees were referring to exhaustion as part of their demanding day's work, which most probably would have been felt anyway even if these rewards were not offered. Those memos that were still deemed as relevant mostly consisted of notes and diagrams regarding relationships between the coded categories. Corbin & Strauss (1990) state that if diary notes or memos are omitted and the researcher moves directly from coding to writing, there is the risk that a great deal of conceptual detail is lost or left undeveloped.

3.4.2 Analysed Data to Emergent Theory

Franklin (1994) asserts that to meaningfully connect these events, the researcher must first identify the problems encountered by participants and then recognise the efforts and actions taken by participants to address those complications and note any changes that occurred both at an individual or situational level. To

achieve this goal, the researcher made every effort to put aside her repertoires of knowledge, beliefs, values and experiences in order to accurately describe participants' work experiences (Chan, Fung & Chain, 2013).

Grounded theory was possible through the three financial institutions that were selected as participants of this research study. In fact, the researcher started by analysing a single case – Institution A which purposely consisted of the largest sample. Following its completion, Institution B was analysed to verify whether its findings correspond to that of Institution A, which they did. To strengthen the validity and reliability of the findings, Institution C data was also subject to comparison with the other two institutions.

The word for word transcribing process was in fact a great opportunity to get a thorough understanding of the data at hand and to meaningfully connect events. Listening to each recording soon after each interview and typing verbatim also served as a way of reflecting on what other interviewees replied to that same question. The researcher started to identify the expectations and motivations of participants and recognise the efforts and actions taken by participants to meet those expectations. Furthermore, the researcher noticed that the outcome of these expectations led to individual level changes.

Thereafter, the researcher went back to the data to check for dataset representativeness, that is, were the themes supported by everyone's narrative or just a few interviewees? Categories were forming by noting codes that appeared again and again during the analytical process whilst others had less prominence. As coding categories emerged, the next step was to link them to theoretical models. The analysis of the qualitative data was done in a structured way by comparing the findings of this thesis to the literature reviewed to find out any similarities and differences. The researcher kept going back to the data to interpret it with the scope of answering the research question. A more inductive

approach was used with the emerging data by looking at relationships with the research question concepts.

The researcher then started writing ideas for each event or experience and illustrated how the quotations supported the theme - which process made it quite straightforward to select the quotations that were to be included in the thesis for descriptive purposes. The ways the quotations were selected depended on whether their purpose was illustrative; to portray a range of issues; or to highlight opposing views. The emergent theory comprised of the discovery of events or experiences that led to a change in reward-seeking behaviour, both at a high or low level and how this influenced employee well-being in the short and long-term.

3.5 Reliability and Validity of Data

To ensure reliability and validity of the findings as well as safeguarding the interests of the participants, the researcher primarily became aware of how her own biases and preconceptions that may influence the data interpretation. In addition, when acting as an outsider, due consideration was given for not allowing the culture of her own organisation to impinge on the data collection and interpretation process. The researcher had also to constantly disengage from the data to create theory and eliminate bias (Backman, 1999).

Reliability and validity of data was also achieved through the selection of multiple research methods. Although semi-structured interviews were the main data collection method, the researcher opted to combine more than one research method to reduce bias and ultimately increase the validity of the evaluation and findings. Moreover, another objective for using interview data, diary notes and memoing was to confirm that theory was developed by looking at the same phenomena from multiple sources. In fact, if diary notes or memos are omitted and the researcher moves directly from coding to writing, there is the risk that a great deal of conceptual detail is lost or left undeveloped (Corbin & Strauss, 1990).

Moreover, transcripts were sent back to participants for their review. This methodological scrutiny ensured that responses were not reported out of context and thus the results accurately represented what has been told during the interviews. Reliability and validity was also supported through ethical considerations which are discussed in the next section.

3.6 Ethical Considerations

The research study directly involves and revolves around human subjects who brought out the results of employees' well-being in relation to organisational rewards' expectations and self-determination of bonuses and promotions. The principal ethical dilemma encountered in a research that circles around human subjects is that participation is often instigated by the researcher. Therefore, in the majority of the cases, the chosen research subjects do not directly benefit from such participation (Guillemin & Gillam, 2004).

Furthermore, ethical concerns for this research study became more accentuated since semi-structured interviews represent the main data collection method in addition to the fact that the investigator also researched the organisation by which she is employed. It was therefore the researcher's duty to ensure that ethical obligations are ironed out throughout the research study by adopting an ethical behaviour that protects individuals, communities and environments and minimises physical and psychological harm. Hence, by caring about ethics and acting on that concern, the integrity of research is promoted (Israel & Hay, 2006).

Semi-structured interviews pose in themselves challenges to ethical concerns. In fact, the interview characterises the creation of an unnatural setting, and is defined as a delicate situation which is ethically questionable (Kellehear, 1996). As semi-structured interviews necessitate one to one interaction between the researcher and participant, the relationship between interviewer and interviewee had the potential to become personal to at least some degree. Many times, the researcher goes "...to considerable lengths to set people at ease, to 'build

rapport', and thereby to encourage the informant to disclose anything that might be relevant to the research" (Hammersley & Traianou, 2012, p.107). Additionally, the interviewer was aware of the social structure's impact on the interviewing process and ensured that the interviewee is not subjected to his/her viewpoint (Kenway & McLeod, 2004).

The researcher planned to respond to these ethical challenges, by actualising a range of methodological precautions during the process of collecting, analysing and storing data. The plan consisted of: at the first point of contact, interviewees were fully briefed on the researcher's role, selection criteria and the research study's objectives and methodology, following which a letter enclosing the information sheet (Appendix C) has been sent. As Israel and Hay (2006) assert, participants should be notified of the purpose, methods, demands, risks, inconveniences, discomforts and possible outcomes of the research. This process was envisaged to aid the prospective participant to make an informed decision prior to accepting to become a subject of the research or otherwise.

Prior to the interviews, participants were given the option to sign a consent form (Appendix D) which clearly stated that they are participating in this research study by their own free will and that they were not pressured or offered any kind of inducement to do so whilst maintaining the right to withdraw at any time without providing any valid reason. This is in line with the assertion that informed consents allow human freedom, specifically achieved through voluntary participation on the basis that participants have been fully informed about the research process (Christians, 2005). Since the researcher was also aware of the power constituted in the interviewer/interviewee relationships, participants were given the opportunity to 'opt-out' from answering any question, should they prefer not to, and could also refrain from continuing the interview. To limit these instances, few interview questions were set and instead the researcher followed up the interviewees' responses through prompts so as to avoid intrusion.

Another ethical issue is that a qualitative researcher, who is engaged in producing knowledge, must act responsibly and be aware of how the research produced will be read, interpreted and used (King & Horrocks, 2010). To mitigate this risk, word by word transcription of all the audio-recorded data was carried out by the researcher herself. This methodological scrutiny ensured that responses were not reported out of context and thus the results accurately represent what has been observed or told during the interviews.

The subsequent ethical issue which follows is the concept of confidentiality which is also linked to how the information obtained from participants was used during the process of analysis, publication and storage. Interlinked as well, is the issue of privacy that commences from initiation to the completion of the research study - that includes what type of data to seek, what methods to employ in protecting this data and what means of data-recording to employ, for both individual people and organisations can claim privacy rights (Hammersley & Traianou, 2012). Therefore to adhere to the confidentiality ethical issue, the researcher handled the data with due respect and discretion since the information was generated purposely for this research study. Furthermore, the researcher protected participants' privacy through the removal of identifiers whilst keeping personal information confidential. The researcher captured the general trend, although much care has been given to avoid biases, and in cases where participants mentioned third parties, the transcriptions reflected the capacity/role of these third parties rather than their respective names.

Interviewees also maintained the right to reject the use of any data gathering device including voice recorders during the interview. In the eventuality that the research participant did not have any objection towards being recorded, an appropriate copyright clearance was obtained. The researcher also protected the financial institutions' identity by using pseudonyms. In addition, computer files containing the data of these interviews were password protected and audio-tapes were securely locked in a researcher's personal cabinet.

The above mentioned ethical measures and the appropriate actions to address them cater for the procedural aspect of this research study. However, the researcher also acted as an insider-outsider for different organisations. In fact, being an insider researcher of one of the selected financial organisations entailed conducting the research simultaneously to the author's normal duties within the organisation. One of the main strengths of being an insider researcher of one of the selected institutions is that the researcher has a detailed familiarity with the field setting and its members and may establish herself as an authentic or field-knowledgeable storyteller (Golden-Biddle & Locke, 2007). However, the latter may also be considered as a major ethical implication since the researcher needs to deal with the challenges of subjectivity and role duality.

As Coghlan (2005a) warns, it is hard for an insider researcher to liberate him/herself from subjectivity. To counterbalance, the researcher understands the social world under study and possesses valuable knowledge about cultures and informal structures of the organisation. Therefore, although this knowledge is deemed as advantageous, it may also be seen as a disadvantage since it may be difficult for the researcher to stand back from the organisation's culture in order to assess and critique it (Coghlan, 2005b). Thus, it is being acknowledged that as an insider, the researcher possesses deeper insights about the people, place, and events but that an element of bias may complicate the collecting and analysing process.

Henceforth, to ensure validity and reliability of the findings as well as safeguarding the interests of the participants, the researcher primarily became aware of how her own biases and preconceptions may influence the data interpretation. However, for the other institutions the researcher is an outsider and due consideration was given for not allowing the culture of her own organisation to impinge on the data collection and interpretation process.

3.7 Conclusions

The methodology adopted in this research, was intended to directly incorporate the rationale of this research study – that is to develop an understanding of the process of reward-seeking behaviour and its influence on employee well-being. In fact, the choice of methodology was primarily dependent on the exploratory aspect of the study. A number of ethical considerations were also taken into account including informing prospective participants on various aspects of the research study, allowing individuals to take a decision freely, anonymity, confidentiality, carefully wording questions and avoidance of personal biases.

4 Findings of Investigation

4.1 Introduction

This chapter presents the findings arising from this thesis on the relationship between reward-seeking behaviour and employees' well-being amongst two small and medium sized enterprises and one large-sized financial institution. Diary notes have also been effectively used to complement the semi-structured interviews. The scope of combining diary notes with interview data was to arrive to important insights as well as generate ideas and plans for subsequent research steps (Altrichter & Holly, 2005). The researcher also took note of interviewees' gestures, intonation and facial expressions. In addition, memoing served for interpreting the data in relation to any feelings, hunches, explanations of events and reflections on assumptions experienced by the researcher (Altrichter & Holly, 2005).

This chapter mainly presents data and is divided in two sections. The first section provides the background of how performance bonus systems in Maltese financial institutions are structured as well as how opportunities for promotions therein arise. The second section delineates interviewees' perceptions and experiences of reward-seeking behaviour from bonuses and promotions as a foundation to analyse their impact on well-being in line with the research question. The presented data is analysed in the next chapter and leads to the development of the four quadrant, reward-seeking behaviour - well-being model.

4.2 Human Resources Management Data

Prior to collecting the actual data, the researcher selected a number of participants who possessed specific experience on the rewarding mechanism within the institution (Englander, 2012). The selection of human resources managers/executives as participants for this research study emanated from the need of gaining information on the rewarding processes within their particular

institution rather than to capture their beliefs and/or perceptions on how bonuses and promotions impact employees' well-being.

As a premise, the researcher was not interested in whether these human resources managers/executives considered their current rewarding system as effective or fair, but rather their role in this research study was to provide an overview of their current reward system. However, due consideration was given to potential participant bias as human resources managers/executives may only present the positive aspects of their rewarding structures and might intentionally omit to mention any negative features. To this effect, the researcher asked direct and specific questions on the elements of bonuses and promotions (Appendix A). In all, four semi-structured interviews were held across the three financial institutions.

The purposely selected sample consisted of two employees from Institution A, one from Institution B and one from Institution C. These semi-structured interviews provided an opportunity for the researcher to gain a sound background of how bonuses and promotion-based incentives functioned in the selected institutions. Thereafter, 42 participants were interviewed across the three different financial institutions with the scope of establishing the relationship between reward-seeking behaviour emanating from bonuses and promotions, and employees' well-being.

The purpose of these interviews was to acquire further background information on the reward strategy of the three researched organisations. The researcher found a number of shared characteristics in the implemented practices as well as in the respective organisational expectations. The next two sub-sections compare the bonus system and promotion process of the three financial institutions under study.

4.2.1 Bonus System

On a general note, all human resources managers considered the bonus system as one ingrained in their culture. This is because they have been distributing bonuses for a number of years. The repeated reinforcement led employees to expect a bonus on an annual basis. Even more so, when changes need to be applied to the bonus policy, the Chief Executive Officer needs to notify the respective employees beforehand. It was also established that in case of unionised financial institutions, union representatives are informed before these changes are implemented.

From the institution's point of view, a bonus is a reward that incentivises employees to work hard and give their utmost whilst also being an effective tool for the organisation to reward those who have shown commitment. However, this warranted behaviour is only achieved when bonuses are effectively structured. Furthermore, bonuses comprise of a one-time payment which does not constitute of an increment to the basic salary. One of the managers specifically highlighted bonuses affordability terms, by comparing their one-time expenditure to an increase in salary which is considered as a permanent measure;

“...it may be the case that the organisation may afford more as a one-time payment and thus the incentive may be a bit larger. For instance, if the organisation can afford an increase of a million euros in salaries, it may alternatively consider distributing 1.5 million in bonuses, as the latter amount is only paid once” (Human Resources Manager from Institution A).

All managers agreed that for the bonus system to work well, the goals need to be clearly communicated at the beginning of the year so that there are no surprises at the end of the financial year. In addition, set objectives should be achievable, and if not, the employee will be affected negatively. It was also acknowledged that human bias may at times interfere with the process as some line managers may give very low ratings and others may be extremely generous. To mitigate these risks, all companies have an appeals/disagreement policy for the performance management reviews.

In the case of Institution A and C, once the respective line manager rates the employee, the bonus distribution is believed to be a transparent process as there is an established bonus pot and a mathematical formula is applied to determine every employee's bonus. The formula is based on the mark achieved, grade and number of hours worked in relation to the pre-established pot. Thus, those employees who achieve a high rating will be gaining a higher proportion of the bonus pot and lack of fairness may result if that high rating is not merited. However, Institution B distributes a percentage of the annual salary of the respective employee.

4.2.2 Promotion Process

Notwithstanding that issuing a call for application is the most common method of recruiting and selecting an applicant for a particular post, Institution B and Institution C had instances where a promotion has been granted based on excellent performance, seniority, outstanding leadership skills and through the recommendation of the respective Chief Officer. However, it is evident that promotions are limited within all three financial institutions and thus this may have an impact on employees' motivation to engage in reward-seeking behaviour.

An executive from Institution C explicitly highlighted that he is a firm believer that promotions should not be given so much importance but instead employees should seek to develop themselves and be the best that they can possibly be. He affirmed that:

“...in this institution, maybe in Malta, I don't know, it is completely the opposite, everyone is obsessed by being promoted and I hate it. We've had problems of people comparing their title within the institution and argue 'I should be the same as him [the promoted person]'. We need to have lots and lots and lots of titles ...striving for a promotion just because employees want a title, it is crazy” (Executive from Institution C).

This executive insisted that what matters is how one feels when he/she gets home and that the only way to be happy is by doing what one enjoys doing.

However, people become very demotivated when an expected promotion does not materialise, when in reality, establishing who deserves a promotion or not, is deemed to be quite subjective (Executive from Institution C).

Another major challenge encountered in both Institution A and Institution C is the mix of people-oriented managers versus highly technical managers. In view of this, the Y structure has been introduced when advancing to a managerial role. In fact, if the job involves managing employees, the selected candidate must be people-oriented, however technical employees may still be at a managerial level but won't have the responsibility of managing a team.

This section provided the background information on the reward strategies adopted by the financial institutions. The next section delves into the data analysis of the 42 semi-structured interviews held across the three selected financial institutions.

4.3 Interviewees Data

Previous studies entirely explored employees' motivational aspects of earning a bonus or a promotion, thereby neglecting the growing importance attached to the relationship between reward-seeking behaviour and employee well-being. The latter aspect being the basis of this analysis. The initial design revolves around a large-sized institution and two small-medium sized enterprises as the participants of this study. In this regard, interviewees are defined by the institution they work for in the proof quotes. However, at analysis stage, the researcher recognised that the size of the institution was not particularly important since the results were broadly comparable. This section thus presents the findings of the investigation according to the research question:

How does the expectation and self-determination of earning a bonus and/or promotion influence employees' reward-seeking behaviour and well-being?

4.3.1 Bonuses

At first, the expectancy theory and its focus on the attainment of goals directly linked to bonuses is discussed. Thereafter, the bonus satisfaction (or dissatisfaction) of the three psychological needs determined by the self-determination theory are analysed. These two motivational theories act as the basis of assessment on the level of reward-seeking behaviour from bonuses and its influence on employees' well-being.

4.3.1.1 Expectancy Theory and Bonuses

In order to gain an understanding of bonus expectations, it is imperative to consider interviewees' interpretation of bonuses as a rewarding instrument. The following table elicits how interviewees view bonuses.

Table 3: Interviewees' Interpretation of Bonuses

“...an institution’s way of recognising its employees and that in itself urges you to work more” (Employee from Institution A).
“...the institution’s way of rewarding you for the performance you gave last year, but at the same time it has a domino effect on the year to come” (Employee from Institution C).

In the first part of the interview, the researcher asked questions to elicit interviewees' bonus expectations but she did not provide any cues in order not to influence responses. These responses are analysed in accordance to their expectancy (effort and performance), instrumentality (performance and outcome) and valence (outcome and personal goals) in line with Vroom's (1964) expectancy theory.

Data shows that the interviewees found difficulty to predict the relationship between effort and performance because of the way targets are set. Indeed, one of the interviewees stated that;

"There should be more details in our performance appraisals although I know it is difficult to have a lot of measurements" (Employee from Institution A).

In parallel, most interviewees admitted that they were driven by targets. An interviewee even stated that she avoids unrelated work;

"...if it is not in the list of what I am getting assessed on, I will leave it or find ways how not to do it" (Employee from Institution A).

The researcher probed to understand how bonuses positively stimulate the individual and it was evident that employees perceive the reaching of set targets as a personal accomplishment. As argued by Parijat and Bagga (2014), when employees are motivated to achieve better results, this desire becomes instrumental to the actual achievement of better outcomes. Similarly, some employees mentioned that they increase their effort to achieve a better performance and ultimately their effort and performance result in the reaching of set goals as illustrated in Table 4.

Table 4: Bonus Expectancy - Target Driven

"...if it is part of my job description and targets, I will do it" (Employee from Institution A).
"...here you have a lot of targets that you need to reach so you have to work for it" (Employee from Institution B).
"Having a bonus makes you more productive" (Employee from Institution C).

Furthermore, interviewees gave a lot of importance to instrumentality since they expected their performance to be reflected in the bonus outcome. Indeed, target

measurement was deemed as an important factor that determines the suitability of the outcome. Table 5 depicts the instrumentality of bonuses in respect to targets and their measurement.

Table 5: Bonus Instrumentality - Target Measurement

"I can honestly tell you that I calculate where I stand vis-à-vis my targets every day, and if I am not on the right track, I freak out" (Employee from Institution A).
"Unfortunately, the problem is in the way an employee is assessed, as most of the time you are being assessed from people who do not work closely with you. In my case, I should be assessed by my colleagues because they know how much I work" (Employee from Institution A).

In essence, the instrumentality of target measurement was derived from the fact that it is a direct contributor to employees' achievement of targets. It was clear that the reaching of targets is associated with happiness and a sense of fulfilment as shown in Table 6 below.

Table 6: Bonus Instrumentality - Target Achievement

"...it depends, if I manage to reach set targets I would be happy" (Employee from Institution A).
"...there is the bonus related to a number of targets and over that amount you will be rewarded, the latter being the aspect of bonus which I prefer" (Employee from Institution A).

However, data shows that the factor that is most instrumental to interviewees is having a balance between their performance and outcome. Indeed, most of the interviewees across all three financial institutions made reference to this aspect. Table 7 groups proof quotes of interviewees who experienced a balance between their performance and bonus outcome whilst Table 8 depicts quotes of

interviewees who lately experienced an imbalance between the two. Data reveals that those interviewees who were not experiencing a balance between their performance and outcome, reported feelings of frustration. This is supported by Siegrist (1996) who states that the effort spent compared to the low reward received (if any) can be stressful for the employee.

Table 7: Bonus Instrumentality - Performance and Outcome Balance

<p>“...the bonus depends on the key performance indicators and I am satisfied with the fact that I am rewarded according to my output” (Employee from Institution A)</p>
<p>"The motivational aspect of the bonus is directly related to my performance, all things being equal" (Employee from Institution A).</p>
<p>“...after so many years during which irrespective of my performance, I still remained in the same level, at least the bonus used to make it worthwhile for all the extra hours you put in, sleepless nights, sometimes working on Saturdays and going through the e-mails during your vacation leave. Although I was not recognised by a promotion or career progression, at least I got a small piece of the pie” (Employee from Institution A).</p>
<p>"...although you may have been forgotten for a promotion, you value the bonus. At least you are acknowledged for all the hard work and problems faced during the last year" (Employee from Institution A).</p>

Table 8: Bonus Instrumentality - Performance and Outcome Imbalance

"This year was a case in point, I received a much smaller bonus when compared to last year even though I applied more effort" (Employee from Institution A).
"For instance, for two years I had targets which were of a higher grade but then the bonus received was that commensurate to my grade. Why? If you gave me the targets of a higher grade, how come I receive a lower bonus related to my grade. What is the logic behind this?" (Employee from Institution A).
"...one time I lost a lot of money because I was not given the deserved score, they purposely reduced my mannerism score because they could not lower any other score which was achieved black on white, I was really frustrated" (Employee from Institution A).
"...the bonus is a major determinant as if that performance is not translated into rewards, it may bring frustration" (Employee from Institution B).

The researcher noted that the performance and outcome balance or imbalance determined the level at which employees engage in reward-seeking behaviour. At this stage of the interview, the researcher probed by asking the question "Will this experience of balance/imbalance affect your future behaviour?" The majority of the interviewees who experienced a balance admitted that they are going to apply the required effort and performance so that they are once again rewarded by means of a bonus. However, those interviewees who experienced an imbalance were more negative in their responses. In essence, they were convinced that although they had the ability to apply effort and reach a high level of performance, they were not motivated to do so. One interviewee questioned:

"Why should I repeat the same mistake again?" (Employee from Institution A).

Furthermore, interviewees considered the valency of the bonus received by comparing the outcome to their personal goals. Data shows that personal accomplishment, outcome worth, time dependency and entitlement were all considered as elements that determine the bonus valency. For instance, one

interviewee who felt that the reaching of targets provides a sense of personal accomplishment remarked:

“I may be exhausted but the fact that I had a target and I reached it, makes me feel satisfied” (Employee from Institution A).

However, greater emphasis was given to the bonus worth wherein the monetary value of the bonus was regarded as an indication of whether they have met their personal goals or otherwise. This is because money indirectly satisfies individuals’ wants and needs. Indeed, bonuses were perceived by interviewees as an extra income which allows them to spend it on what matters to them. Some also mentioned that they are able to contribute more towards their family and other commitments:

“...a bonus is that something extra that contributes additional income to my family” (Employee from Institution A).

Although money is appreciated, interviewees had divergent views on the weight they give to the bonus amount. In fact, the two extremes comprised of those interviewees who considered the bonus amount as irrelevant to those who were convinced of the fact that the higher the bonus, the better they would feel. The emphasis placed by participants on the value they give to a higher bonus may be due to the fact that the current bonus amount is considered as too minimal which is not reflecting their effort and level of contribution.

Specifically, some interviewees from Institution A highlighted that their total bonus value is minimal especially when compared to other sectors. Furthermore, they asserted that even the difference in bonus amount between someone who exercised effort and someone who did not, is marginal. In this respect, the valence of bonus worth within Institution A is very low and some interviewees even mentioned that counter-productive behaviour may result from a bonus amount which is not of a realistic value. Other employees from Institution A and Institution C considered the bonus amount to be irrelevant as they give more value to other things including their client and line management feedback.

Table 9 groups together a number of proof quotes that depict how the monetary aspect of bonuses is interpreted by different individuals and the worth attributed to it. Moreover, the meaning given to the bonus by interviewees is also dependent on how it compares to the bonus received by employees in other sectors.

Table 9: Bonus Valence - Outcome Worth

"The only benefit of a bonus is its financial aspect because I think it has a number of drawbacks" (Employee from Institution A).
"The most important thing that an employee needs from the bonus is feedback" (Employee from Institution A).
"...you exercise more effort than someone else so that you get a better score for your performance but the difference is just €100, not even €10 a month. You start seriously questioning whether it's worthed" (Employee from Institution A).
"I personally compare my bonus with employees who work in other sectors, and I know that what I am getting is minimal when comparing figures with figures. That is what you see at the end of the day" (Employee from Institution A).
"Sometimes, when the financial results are communicated, you see very nice figures, but in reality what is the employee gaining? It is the employee who is working to achieve these results but profits are not distributed as one would expect" (Employee from Institution A).

Time has also been considered as a valent factor. In fact, some interviewees remarked that the value given to the bonus is dependent on its timing. It transpired that financial institutions' employees expect an annual bonus and the bonus pay out became almost an entitlement. In contrast, interviewees mentioned that when the institution distributes unexpected bonuses, they are not taken-for-granted. Proof quotes on the time dependency of bonuses are listed in Table 10 whilst Table 11 illustrates the quotes that feature bonuses as an entitlement.

Table 10: Bonus Valence - Time Dependent

"Bonuses go through a process of being appreciated, forgotten and expected" (Employee from Institution A).
"I think that the issue of frequency is crucial as the less expected a bonus is, the more it is appreciated" (Employee from Institution A).

Table 11: Bonus Valence - Entitlement

"There is the possibility that some people take bonuses for granted, in the sense that they know that they will still receive a bonus at the end of the year, what may vary is the amount (Employee from Institution A).
"...the bonus is something you expect rather than something that you have to work for to attain it" (Employee from Institution A).
"...employees wait for the bonus before resigning. If you speak to someone from human resources, staff turnover is at its peak after bonus distribution" (Employee from Institution B).

The last quote in Table 11 shows that Institution B experiences a high turnover after bonus distribution. This is because their policy clearly states that whoever resigns prior to the bonus payment shall not be entitled for that incentive. This data clearly indicates that bonuses do have an impact on the employee's decision to leave. The repercussions of this policy is that the employee suffers negative effects between the period he/she wants to leave and the actual resignation date.

This is consistent with Park and Sturman's (2016) findings who confirm that the most logical decision of an individual who has the intent to leave but was expecting a large bonus, would be to wait for the bonus before leaving the position. In the meantime, feelings of frustration, anger and unfairness emerge due to the fact that they have to keep working with the institution till the end of its financial year, just for the sake of not losing the bonus. Moreover, this situation

also impacts those employees who have no intention to leave as the turnover temporarily affects their workload and team synergy. This persists until new employees are recruited and go through the on boarding process.

On a positive note, some interviewees also recommended improvements to their current bonus system. For instance, an interviewee from Institution A suggested the introduction of a thirteenth month pay, when an employee constantly exceeds expectations over a specified span of years:

“The terms would be that if an employee maintains a good performance for four years in a row, he/she is awarded a thirteenth pay so that the employee is motivated for the long run” (Employee from Institution A).

Similarly, an interviewee from Institution B proposed that bonuses should be project related, that is, in accordance to the deliverables and duration of an assigned project rather than to the institution’s financial year:

“I don’t believe in fixed dates for bonus distribution but I am more inclined towards what are the goals and if they have been achieved. It may be a two year project but once the deliverables of that project have been reached then a bonus should be paid and the weighting of the bonus should be different according to the type of project” (Employee from Institution B).

Furthermore, a respondent from Institution C stated that:

“To an extent, I may not be satisfied because we have four levels – Improvement Required, Met Expectations, Exceeded Expectations and Exceptional. If it was for me I would introduce more than four levels as currently there is no middle ground, it’s either achieved or exceeded. In this way, employees may be better rewarded with the introduction of more levels. Even the manager will have an opportunity to maintain a good rapport with the individuals by giving a fair score rather than demotivating them” (Employee from Institution C).

So far, the data on bonuses has been analysed from an expectancy point of view wherein effort, performance and outcome were all considered by interviewees as important factors that lead or preclude a change in their behaviour. In order to better understand employees’ motivation to engage in reward-seeking behaviour,

the bonus data has also been analysed from a satisfaction of psychological needs' perspective which findings are discussed in the next section.

4.3.1.2 Self-Determination Theory and Bonuses

The analysis of the relationship between bonuses and need satisfaction levels of interviewees deciphers to what extent bonuses satisfy employees' psychological needs of competency, autonomy and relatedness. The researcher is also interested to denote the perceived negative aspects of bonuses to verify whether these conflict with the three basic psychological needs of the self-determination theory.

Primarily, the data shows that there is a similarity between expectancy (effort and performance) and competence with the main difference being that expectancy involves future effort and performance whilst competence is associated with actual effort and performance. In fact, the effort exerted is converted into the actual performance and that performance or contribution was considered by interviewees as their competence. However, according to one particular manager, employees have a tendency to believe that their performance is of a superior level, which may not always be the case. She claimed that:

“Most of the time, an individual blows his contribution out of proportion”
(Manager from Institution C).

Notwithstanding this manager's view, some interviewees asserted that a bonus motivates them to push beyond their boundaries in order to perform at a higher competence level as illustrated in Table 12.

Table 12: Bonus Competence - Pushing Boundaries

"...bonus is paid once you meet or exceed the institution's expectations, so apart from the salary, it is the incentive that allows you to push your boundaries further" (Employee from Institution A).
"To a certain point, it motivates you to get better results than those of the year before" (Employee from Institution B).

Data reveals that as long as competence remained at a self-determined level, interviewees were satisfied with their decision to engage in reward-seeking behaviour. However, their attitude changed when they compared their bonus to others within the institution. This is supported by Eisenberger, Rhoades and Cameron (1999) who found that a reward indicates competence when the employee remains unaware on whether he/she outperformed others. As a result of comparing one's bonus to that of colleagues, interviewees felt that unfairness prevailed. One particular interviewee stated:

"...in our organisation, as I see it, whether you work or not is irrelevant as you will still earn a bonus, the amount may vary but I believe that who does not work should not be entitled to it, but it all boils down to preferences. It's unfair that I give my utmost and someone else is comfortable in his/her cushy job, doing nothing, sometimes not even knowing what his/her tasks are, and then he/she receives a bonus" (Employee from Institution A).

The words used by the above interviewee were congruent with her intonation as well. In fact, she utilised a very high pitch to make an emphasis on her strong belief of fair distribution in comparison to how bonuses are eventually allocated within her institution. The above extract portrays that employees' experience disappointment when they perceive that a particular colleague did not deserve to be awarded that bonus amount. Interviewees also conveyed that it is an innate need for them to compare themselves with others as the proof quotes in Table 13 suggest.

Table 13: Bonus Competence - Social Comparison

<p>"Without any doubt, you compare yourself to others and people ask each other on how much bonus was earned, the saying that people do not talk between themselves is not true" (Employee from Institution A).</p>
<p>"The bonus system needs to be fair because comparing yourself to others is part of human nature" (Employee from Institution A).</p>
<p>"We had a lot of panic this year because one of my colleagues was informed that he was given a smaller bonus compared to ours, and then we found out that the difference was just €100, it was not worth the panic" (Employee from Institution A).</p>
<p>"The bonus has benefits if it is kept secret and each individual knows only how much he got but colleagues somehow get to know how much others got and that decreases the motivation" (Employee from Institution B).</p>
<p>"...depends on the performance appraisal, sometimes it is a bit subjective and maybe you would think that you are delivering more than someone else and then you talk to this person and you get to know that he got the same grade that you did so we ended up receiving the same bonus" (Employee from Institution B).</p>

Through this data, it is clear that bonuses do provide an element of competence as employees need to push their boundaries by learning new skills and using existing ones. Furthermore, the data indicates that bonuses lack attributes that provide autonomy as it has many controlling variables including the institution's discretion in bonus distribution (Table 14), appraiser's bias and team contribution (Table 15).

Table 14: Bonus Autonomy - Lack of Control: Institution's Discretion

"...the institution decides on the amount and in reality I do not have any control but have to accept whichever amount is decided to be distributed" (Employee from Institution A).
"I believe that the bonus is at the institution's discretion and should not be expected if the institution does not do well but in such cases employees will start complaining" (Employee from Institution A).

Moreover, human bias was highly associated with causing perceptions of unfairness in the process, right from the cascading of targets to the actual judgement of whether one deserves to be awarded a bonus or otherwise:

"Your manager's perceptions are very subjective so there is no perfect formula that ensures that if you merit one Euro, you will actually be getting one Euro" (Employee from Institution B).

Interestingly, the following quote shows how certain personal characteristics may be used to one's advantage to cloud the judgement of the appraiser:

"A bubbly person manages to build a good relationship with his line manager, thus boundaries are broken more easily, but those who are quieter in nature may suffer because their line manager's perception would not be as good even though that perception may not reflect reality" (Employee from Institution B).

Interviewees who occupied a managerial role admitted that they are cognisant of the fact that their role as an appraiser may be influenced by human bias and that their judgement may be perceived as unfair or biased. Data also shows that employees feel aggrieved by the lack of control over the results achieved by the team and the imbalance between team members' contribution. Most of the interviewees preferred to have the absolute control over their reward outcome as they viewed team performance as a limiting factor rather than a positive one. The latter is supported by Heinrich (2007) who states that a bonus may be low-powered when the process is spread across many employees or when an individual's performance has limited or no bearing on his/her share of the bonus.

A holistic view on how teams affect bonus payment is illustrated by means of proof quotes in Table 15.

Table 15: Bonus Autonomy – Lack of Control: Team Contribution

<p>“In a team you may have hard working people and people who do absolutely nothing and that frustrates me since I know that he got the same bonus as I did, even though he did not give any contribution” (Employee from Institution A).</p>
<p>"You are primarily dependent on how others' perform and not on your own performance and that works against you as whoever reflects on this will know that although someone may not be giving his share, he is still earning a similar bonus as the difference is minimal between the bonus of those who perform and those who don't" (Employee from Institution A).</p>
<p>"As it stands, there is lack of weighting on the personal contribution part, 30% is too minimal" (Employee from Institution A).</p>

Although it was evident that bonuses do not provide employees with absolute control over the outcome, interviewees mentioned that the institution does not have control over their performance. This means that in the case of bonuses, autonomy is achieved through the employees' own decisions on how to pursue that reward. Indeed, interviewees across all three institutions showed concern on the fact that autonomy may lead to unnecessary risk-taking. These affirmations are listed in Table 16.

Table 16: Bonus Autonomy - Risk Taking

<p>"...when you want to sell, sell, sell, you might go ruthlessly" (Employee from Institution A).</p>
<p>"Employees who occupy roles that generate more income for the institution are more inclined to take risks, as they will get a higher bonus as a consequence" (Employee from Institution B).</p>
<p>"Sometimes with a short term objective, you act impulsively to reach that objective and afterwards you realise that there are certain repercussions which could have been avoided if a proper analysis had been done" (Employee from Institution B).</p>

Furthermore, interviewees give importance to the intrinsic feelings of appreciation provided by bonuses, as well as to the sense of recognition for their input and effort exercised throughout the year. Indeed, interviewees viewed recognition as the way institutions show their employees that they are significant to them. The relatedness aspect of bonuses is illustrated in Table 17.

Table 17: Bonus Relatedness - Recognition

<p>"...feeling appreciated as that's what makes all the difference to the individual" (Employee from Institution A).</p>
<p>"...through the bonus, the institution is clearly sending the message that you are valued as an employee and knowing this fact makes you work more" (Employee from Institution A).</p>
<p>"...it is a type of motivation - to be rewarded and recognised for what you do extra, it is more intrinsic rather than materialistic" (Employee from Institution B).</p>
<p>"...feeling appreciated, you are not there just to be given orders but the institution is giving you something extra, so it's more motivating even if you have targets" (Employee from Institution C).</p>

To sum up this section, the psychological need of competence is satisfied when an employee pushes his/her own boundaries whilst the need of autonomy is satisfied when an employee chooses freely the strategies he/she is going to adopt to achieve results and the need of relatedness is achieved through the monetary recognition of the institution. These results combined with bonus expectations identified in the previous section were used as the basis to understand how reward-seeking behaviour from bonuses influences employee well-being. The latter is explored in the next section.

4.3.1.3 Reward-Seeking Behaviour from Bonuses and Well-being

The research findings on bonus expectations and the satisfaction of psychological needs of the self-determination theory through bonuses are intertwined. Essentially, the exercised effort and the willingness to push boundaries to feel competent are both instigated through the process of target setting wherein employees become driven to achieve these targets. Moreover, similarities exist between instrumentality and autonomy as both necessitate the employee to perform for a bonus and in both cases the employee is not given specific instructions on how to achieve targets. Indeed, the lack of direction is beneficial as it provides opportunities for the employee to adopt his/her own strategies. Nonetheless, a balance between performance and outcome is dependent on other factors such as the institution's discretion, appraiser's bias and team contribution. Recognition has been deemed as one of the most valent factors of bonuses as it provides a sense of personal accomplishment and worth in line with the relatedness aspect of the self-determination theory.

Interestingly, the level of engagement in reward-seeking behaviour was dependent on the individual's expectations rather than on the actual bonus. The data suggests that some interviewees are elated by the prospect of a bonus whilst others show no particular interest in pursuing the reward. The cause of these differences in employees' reaction originated from the bonus valency. Those interviewees who experienced feelings of elation linked the bonus to its positive outcome, mainly its monetary aspect and sense of accomplishment.

Interviewees stated that the expectancy of the bonus leads to higher engagement in reward-seeking behaviour as depicted in Table 18. This category of interviewees is referred to as highly motivated as their high levels of reward-seeking behaviour is initiated by the individual and is deemed to positively affect well-being.

Table 18: Highly Motivated from Bonuses

<p>“...so having more commitments and at the same time having such incentives, makes you work harder for it as you will surely find what to do with that money” (Employee from Institution A).</p>
<p>"If I know that I have a carrot on a stick, I will work for it and apply more effort so that I earn something extra... working hard during the last months, will ultimately result in a financial aspect, that is the bonus and this positively links to well-being" (Employee from Institution A).</p>
<p>“Bonus, it is always a plus because as an incentive it provides a boost” (Employee from Institution A).</p>
<p>"Performance based bonuses are very advantageous as whoever wants to earn that bonus will work harder for it. It is very motivating" (Employee from Institution C).</p>

All highly motivated interviewees mentioned that they are target driven and that they regard their competencies as their tool to push beyond encountered boundaries. In their decision to engage in reward-seeking behaviour, they knew they had the autonomy to perform at a high level in order to be recognised by means of a bonus. This finding concurs with the self-determination continuum wherein at the far right end of the continuum an employee is deemed to be intrinsically motivated to pursue a reward.

Interestingly, terms used in the proof quotes (Table 18) include “work harder” and “apply more effort”, which can easily be associated with “enthusiasm” whereas the term “boost” indicates “energy”. Both enthusiasm and energy are descriptors positioned in the upper right quadrant of Warr’s two-dimensional view of

subjective well-being. These findings show that this category of employees engage in high levels of reward-seeking behaviour but since they are intrinsically motivated, the impact on their well-being is positive.

In contrast, those interviewees who did not find value in the bonus outcome were unmotivated (expectancy theory) or amovitated (self-determination theory) towards engaging in reward-seeking behaviour. These interviewees were focusing on the negative aspects of bonuses instead of identifying the valence of a bonus on their lifestyle and well-being. Specifically, the bonus amount and the fact that it is not added to their annual salary were quoted as the major reasons for their disengagement as illustrated in Table 19. The term apathetic is used to refer to intentional engagement in low levels of reward-seeking behaviour that affects negatively employees' well-being.

Table 19: Apathetic from Bonuses

"...since the bonus is no longer being added to the basic salary, people are no longer giving it so much importance" (Employee from Institution A).
"Bonus has no significance to me, I prefer if it was added to my pay" (Employee from Institution A).
"The bonus is so immaterial that it does not make any difference in your life. The institution is asking for more commitment from its employees by granting a €1000 bonus!" (Employee from Institution A).
"I compare bonuses to giving chocolates to children... in the long-term chocolates won't work" (Employee from Institution A).
"We have a bonus but we are not driven by it" (Employee from Institution C).
"...but you find those employees who just come to work to do their job and that's it. The bonus is seen as having more responsibilities, more work so they are not interested" (Employee from Institution C).

These findings confirm that for this category of interviewees, the transactional nature of giving money in exchange for work does not address their basic psychological needs but instead is considered as low quality motivation. The proof quotes in Table 19 illustrate that this category of interviewees referred to bonuses as having “no significance”, “immaterial” and “not driven by it”, terms which may be classified under the heading “dejection”. Dejection is positioned in the lower left quadrant of Warr’s two dimensional view of subjective well-being confirming that apathetic employees are experiencing negative emotions because of bonuses. This means that although this category of employees are engaging in low levels of reward-seeking behaviour, their well-being is affected negatively.

However, the data shows that although highly motivated individuals and those in an apathetic state were both prominent typologies, other categories emerged. In fact, the researcher notes that a number of interviewees were making direct reference to work-life balance. Data reveals that even though these employees were motivated to pursue the bonus, they were not ready to forfeit their work-life balance. The proof quotes of the interviewees who valued a balance between the bonus and their well-being are depicted in Table 20.

Table 20: Work-Life Balanced from Bonuses

<p>“...although money is good as it gives you spending power, well-being and happiness are also important” (Employee from Institution A).</p>
<p>“Today I understand the importance of being mentally and physically healthy as I am raising a family and I choose to be happy over money. Although I used to prefer more the money before I had my son” (Employee from Institution B).</p>
<p>"...after all, the bonus is just part of your remuneration so work-life balance is much more important" (Employee from Institution C).</p>
<p>"...the balance is important because if you do everything to earn a bonus or a promotion then it will be too much" (Employee from Company C).</p>

Interestingly, the quotes show that happiness from work-life balance prevailed over any other valent aspect of the bonus. The specific use of the term “happiness” is another word for “contented” - a descriptor in Warr’s two dimensional view of subjective well-being model positioned in the lower right quadrant. Therefore, work-life balanced employees consciously engage in low levels of reward-seeking behaviour for a positive well-being.

Fundamentally, bonus valence is highly dependent on the importance attributed to it by the individual. However, as Warr (2011) states, in the pursuit of attaining established goals, employees may be involved in sustained and unpleasant effort. The latter was confirmed by another category of interviewees who argued that if the bonus becomes a priority in life, it will influence other aspects of the employees’ life causing work-life imbalance (Table 21).

Table 21: Work-Life Imbalanced from Bonuses

<p>"If you just focus on reaching the targets to earn a bonus and thus excluding other things which are important, it will affect you negatively" (Employee from Institution A).</p>
<p>"...you start getting priorities wrong, added pressure on your life, and you start losing on things that you will regret when you get older" (Employee from Institution A).</p>
<p>"If you make the bonus as a primary target, you will only focus on the bonus and you will start compromising at your workplace, your relationship with your colleagues may suffer, just because you set it as a priority in your life" (Employee from Institution A).</p>

Another category of interviewees includes those employees who acknowledged that they lacked control over the bonus outcome. As a result, they opt to do their job in an efficient and timely manner instead of pursuing a bonus. These employees still perform at a satisfactory level but choose to be recognised through their own work rather than from the bonus. These findings show that this

category of employees are primarily motivated by the belief that their job is important, therefore they internalised the value of the activity into their sense of self, leading to a relatively autonomous type of motivation. The proof quotes in Table 22 show that the perceived control stems from the institution’s discretion and team contribution.

Table 22: Neutral from Bonuses

<p>“There has to be a balance between the bonus and assigned responsibilities. I don’t feel that the bonus reflects the responsibilities of every employee so I don’t give it much importance especially with the new measure where the part that really reflects my performance, and over which I have control on, is too small to make a difference” (Employee from Institution A).</p>
<p>"I believe that living the life I want, that is being happy and recognised at the workplace, knowing that whatever I have to do I will do it properly and with confidence, this affects my well-being. I also believe that if you are doing it right, this will automatically be reflected in the bonus" (Employee from Institution A).</p>
<p>"I am quite neutral when it comes to bonuses as my incentive revolves around keeping the customer happy" (Employee from Institution A).</p>
<p>"I do not do it because of the bonus, but I do it because I want to do a good job" (Employee from Institution A).</p>
<p>"I give more importance to an increase in pay than to a bonus" (Employee from Institution B).</p>

In essence, the level of reward-seeking behaviour from bonuses differs in accordance to the individuals’ expectations and satisfaction of their own psychological needs. These findings demonstrate that these differences led to a typology of four different types of employees which include highly motivated, apathetic, work-life balanced, and work-life imbalanced. The next section analysis the data in terms of reward-seeking behaviour from promotions and its influence on well-being.

4.3.2 Promotions

Prior to delving into the expectancy and self-determination aspects of promotions, it is imperative to outline that some interviewees in their recollection of events referred to instances when they were awarded an actual promotion but other interviewees' responses revolved around their expected future promotion. Hence, those interviewees who made reference to an actual promotion had experienced tangible outcomes whilst those who were still waiting for the promotion to be materialised have not yet experienced its tangible terms. In addition, the latter do not carry a specific timeframe of when the promotion shall materialise.

In this section, the expectancy theory in relation to promotions is explored. Thereafter, the promotion satisfaction (or dissatisfaction) of the three psychological needs determined by the self-determination theory are analysed. These two motivational theories shall thus act as the basis to assess the level of reward-seeking behaviour from promotions and its influence on employees' well-being.

4.3.2.1 Expectancy Theory and Promotions

Promotions' expectations according to the expectancy theory are based on the belief that applying the necessary effort and performance shall reap the desired promotion. However, when interviewees' were asked on how they expect to obtain a promotion, the majority focused on having a career path which is at the institution's discretion. This is endorsed by Parijat and Bagga (2014) who assert that the impact of the resulting effort on performance is moderated by the conditions that enhance expectancy which include the availability of necessary resources and support. The proof quotes in Table 23 demarcate how employees expect their institution to provide opportunities for promotion.

Table 23: Promotion Expectancy - Career Path

<p>“The process of promotions should be fair and if there is a vacant post, an internal call for application should be issued, employees apply and the most capable person should be selected” (Employee from Institution C).</p>
<p>“I always worked to prove myself and then I get a promotion. Staff don't see it this way but they ask 'What's in it for me?'" (Manager from Institution C).</p>

It is evident that most employees in the lower grades seek promotion opportunities in a structured way, that is, through the issue of a vacancy whilst managers expect employees to work for a promotion prior to the actual issue of that vacancy. But, as Vroom (1964) asserts, for a promotion to be instrumental, the employee's performance is supposed to lead to the valued outcome. Indeed, a number of interviewees asserted that their extra input should reflect in a tangible promotion as illustrated by the proof quotes in Table 24.

Table 24: Promotion Instrumentality - Performance and Outcome Balance

<p>"In my opinion, to be granted a promotion, you need to give your utmost during your eight hours plus doing that something extra" (Employee from Institution A).</p>
<p>"...you are motivated to work for a promotion if the institution provides a fair playing field, by communicating in advance the pre-requisites needed for that particular role" (Employee from Institution A).</p>
<p>"...promotions provide a meaningful bearing on the individual's morale, a kind of self-confidence that confirms that present and past effort is yielding the desired fruits" (Employee from Institution A).</p>
<p>"...career progression is something that has to be ongoing and forms part of the lifestyle. When you earn a promotion, you are reaping the benefits of your work. Apart from this, an individual always aspires to ameliorate his position. You can't just view it from its financial aspect" (Employee from Institution B).</p>

The data shows that most interviewees are willing to apply effort and performance because the value of a promotion is high on their agenda. The valent aspects of a promotion included feeling a sense of personal accomplishment, fairness and future prospects which will be further discussed in this section. Moreover, the importance attributed to promotions is shown by the interviewees' willingness to accept its repercussions. However, the timing of the promotion may be a factor that influences the extent to which one is satisfied with that promotion.

As illustrated in Table 25, the personal accomplishment linked to a promotion has been specifically mentioned through the interviewees' comments on the pride and self-esteem attached to that promotion. This is in line with the need or desire of people to be provided with a stable and firmly based self-esteem which is based upon real capacity, achievement and respect from others (Maslow, 1943).

Table 25: Promotion Valence - Personal Accomplishments

"It's not about the promotion but a matter of pride" (Employee from Institution A).
"At this point in my life if I get a promotion it would make me happier, but it's not for the money as the difference would be minimal, but for my self-esteem and self-respect" (Employee from Institution A).
"I think that when you really work for it and then you earn that promotion, the personal satisfaction you experience cannot be replaced by any other type of satisfaction. From my own experience, when I earned a promotion, I was very satisfied even though when I was granted a promotion, it was at a time when the difference in pay was minimal but it gives you the motivation to work" (Employee from Institution A).
"You feel better, more fulfilled, that you are capable and that there is someone who believes in you. There is an element of satisfaction, self-pride because it's not just me believing in myself" (Employee from Institution C).

Interviewees embrace promotion opportunities that arise from business exigencies. However, when there is no valid reason or the gap to issue a vacancy is non-apparent, employees start questioning the fairness of the process. In such circumstances, interviewees expressed interest to know the established criteria that have been followed for that individual to be promoted. If this information is not provided, employees speculate on possible reasons why that particular employee has been granted a promotion or for whom that vacancy was issued. Fairness communicates respect for all employees and its value is illustrated by the proof quotes in Table 26.

Table 26: Promotion Valence - Fairness

<p>“It depends on whether they have been promoted fairly and not on the basis of who they know. It is especially demotivating when you know who will be filling that role before the actual interviews” (Employee from Institution A).</p>
<p>“I always felt that when a vacancy is issued for a particular role in a department, most of the time it is issued for the people who are already working there” (Employee from Institution A).</p>
<p>“I should earn a promotion because I deserve it and because both management and the institution are happy with my performance, but there are people who are granted a promotion but do not deserve it” (Employee from Institution A).</p>
<p>“A promotion has disadvantages if the process is dishonest and employees will know” (Employee from Institution B).</p>
<p>“If the person promoted is not a performer, then it is very demotivating for me” (Employee from Institution C).</p>
<p>“It affects you because you say why him and not me. However, this should not be threatening if well explained. If someone got a promotion and there is a valid reason why, it should be made clear” (Employee from Institution C).</p>

Interviewees' expectations of having a career path is highly associated with the valence given to future promotion prospects by means of internal vacancies. Some interviewees across all three institutions showed their concern on the limited chances of further internal growth within the firm. Indeed, these interviewees remarked that even though they would like to advance, they are aware that the organisation would not be offering that opportunity. Other participants stated that they are happy in their current role and have not displayed any desire to advance at this point in their career. This was either because the present job is already providing the required satisfaction or else family commitments precluded them to take on more responsibilities. In this regard, it is evident that future prospects are not regarded as a valent factor by all interviewees. However, Table 27 depicts proof quotes of those employees who embrace future prospects of promotability.

Table 27: Promotion Valence - Future Prospects

<p>"I need an element of direction but at the moment I have no idea where I am heading. What I need is honest feedback on my capabilities and to know of any plans on my behalf" (Employee from Institution A).</p>
<p>"I believe that if the institution maintains her own blood by means of internal vacancies, employees will know that they have prospects. These things provide piece of mind as you know that you can develop within your own sector" (Employee from Institution A).</p>
<p>"If there are no opportunities for advancement, you do your eight hours work and leave, you won't take any initiative as you would say - there is nothing for me to gain" (Employee from Institution A).</p>
<p>"...people have to leave in order for you to have a chance of being promoted" (Employee from Institution C).</p>

In addition, promotions are often synonymous with job-related factors that comprise of added responsibilities, and as tasks change, the promoted individual may experience an increase in workload and stress especially in cases where

the employee does not have the necessary competencies to perform the job. As individuals differ in the way they handle the increase in responsibilities and workload, the repercussions of a promotion are also experienced differently. However, data shows that most interviewees accept promotions' repercussions as they are after all expected. The proof quotes in Table 28 highlight interviewees' perception on promotion repercussions.

Table 28: Promotion Valence - Accepted Repercussions

"You won't be given a promotion for nothing, both expectations and stress levels increase" (Employee from Institution B).
"You will have more responsibilities and thus this may lead to more stress" (Employee from Institution B).
"...more responsibility, but if one was after a promotion it is not a disadvantage but a repercussion" (Employee from Institution B).
"Normally, it means more responsibility, but it can be a nice thing as well because you have new challenges" (Employee from Institution C).
"You are expected to work more, maybe longer hours, expected to achieve more, more stress, new responsibilities. Everybody who gets a promotion asks Am I capable?" (Employee from Institution C).

Other promotion repercussions mentioned included the expectation of working longer hours. Indeed, some female interviewees' admitted that due to family commitments they would not be in a position to pursue a promotion:

"...my main priority right now is raising my son, this does not mean that I will show less commitment at work but it is not fair to take someone else's place who is able to invest more time to the job than me" (Employee from Institution A).

The above quote also makes reference to the fact that the valency of a promotion is time dependent. In the case of this interviewee, family commitments have been

highlighted as the reason why the promotion timing is inadequate. Others admitted that their decision to avail oneself of unpaid child care leave was one of the factors that contributed to the lengthier process of being promoted:

“It is very disappointing, as you feel inferior to your peers. When you see those who joined the institution with you, are now ahead of you, because I was out on maternity leave, thus spent a few years out and missed a few opportunities” (Employee from Institution A).

However, other interviewees stated that when a promotion takes too long to materialise, the feelings experienced are those of deflation, demotivation, devastation, discouragement and self-doubting. These words and interviewees’ body language, posture, gestures and intonation manifested that they do experience negative feelings during the period they are expecting a promotion. These negative feelings are justified because as Ortin-Angel and Salas-Fumas (1998) assert, each additional year of job tenure reduces the probability of promotion. Table 29 demonstrates proof quotes of how the prolonged period of being promoted is experienced by interviewees.

Table 29: Promotion Valence - Time Dependent

<p>"I do not think that there are any benefits during the period in which you are aspiring for a promotion especially if that period lasts for a long time" (Employee from Institution A).</p>
<p>"It depends on the type of promotion because if someone has been long waiting for a promotion but did not have his expectations met, he would not be satisfied" (Employee from Institution C).</p>
<p>"Uncertainty is always bad and if it takes long or longer than expected, the promotion becomes a demotivator" (Employee from Institution C).</p>
<p>"If you have been waiting to be promoted for a long time, when it actually happens you won't appreciate it as you think that you deserved it earlier" (Employee from Institution C).</p>

The findings show that interviewees expect their institution to provide a career path and having a balance between performance and outcome is deemed as instrumental. The valent aspects of a promotion included feeling a sense of personal accomplishment, fairness and future prospects which are most often time dependent. In the next section, the self-determination theory is utilised as the basis of analysis in respect to promotions.

4.3.2.2 Self-Determination Theory and Promotions

The analysis of the relationship between promotions and need satisfaction levels of interviewees considered the extent promotions satisfy employees' psychological needs of competency, autonomy and relatedness. It is interesting to note that the participants of this thesis referred to competencies as technical skills and attributes which the selected candidate needs to possess before his/her actual appointment to a higher position. This is in line with Kalleberg and Mastekaasa's (2001) confirmation that through a promotion an employee is being recognised as capable to perform in a better job. Table 30 depicts three proof quotes that highlight the importance of being competent in the promoted role and how it may affect employees' well-being.

Table 30: Interviewees' Interpretation of Competencies

<p>"If you are capable for the job, it is fine but if you're not it is useless being in a grade in which you do not have the capabilities of performing that job, your well-being won't be good, it will suffer" (Employee from Institution A).</p>
<p>"A lot of people are promoted to a level of incompetence. If I am offered a post for which I do not feel competent, I would not take up that post but would rather recommend someone else, I know that in the long term I will be losing a promotion but why should I accept something which I will not deliver a great output" (Employee from Institution A).</p>
<p>"It is always an advantage unless that promotion is linked to responsibilities for which you do not have the competencies for" (Employee from Institution C).</p>

In line with Warr's (2011) claim that employees need to use their competencies whilst acquiring new ones, interviewees acknowledged that although the selected employee needs to possess certain competencies, the new role shall provide him/her with self-development opportunities both in terms of formal and on-the-job training. The proof quotes in Table 31 show how continuous learning satisfies employees' need of competence.

Table 31: Promotion Competence - Self-Development

<p>"You work for a promotion, you don't just expect it so you will enhance your skills in the process of doing so, you will learn new tasks because you cannot make such a leap without a learning process" (Employee from Institution A).</p>
<p>"With regards to promotions, the organisation should provide the necessary training and on-the-job experience so that you don't get him promoted too quickly, if we want fairness to prevail" (Employee from Institution A).</p>
<p>"You don't work for a promotion but for your own self-development" (Employee from Institution A).</p>
<p>"I would rather advance in a role related to my current job as if I move to another area I need to start from scratch" (Employee from Institution A).</p>
<p>"...once you stop learning you shouldn't be in the same job. I wouldn't waste my time" (Employee from Institution B).</p>
<p>"There are a lot of opportunities within the opportunity, you may work in different departments, your job does not become a routine, and you are being trained in something different" (Employee from Institution C).</p>

Interviewees also remarked that in most cases they would be unaware of what the job actually entails and thus they experience incongruence when the role does not meet their expectations. Most often, the attributes that lead to this type of incongruence include the actual tasks and responsibilities of the job as shown

in Table 32. Furthermore, some interviewees mentioned that there needs to be more communication between human resources department and the employee.

Table 32: Promotion Competence - Incongruence

"...your new role may not be compatible with your expectations, you would not know what the job entails until you actually do it" (Employee from Institution A).
"It could be that you apply for a job that has a misleading job description, and because you have never performed in that role, you realise afterwards that this was not the job you were anticipating to find" (Employee from Institution A).
"Sometimes what happens is that you have certain expectations but the institution has a different plan for you and by time you may realise that you are not up to it and for some reason or another, neither your expectations nor those of the institution are reached" (Employee from Institution A).

In essence, employees view competencies as a self-developmental opportunity and have shown the need that the role meets their expectations in order to avoid incongruence. But employees also mentioned that their perceived competence level is affected when they compare themselves to others. For instance, the first quote in Table 33 proves that others' status is one of the factors that may attribute to one's own feelings of competence and the other quotes depict the interviewees' cognitive evaluation when someone else is promoted.

Table 33: Promotion Competence - Social Comparison

<p>"When you speak to people that work in other organisations, at 30 years old they are already managers, I am 41 years old and still a supervisor, okay the sector is different and maybe they have lower wages compared to us but the title has an effect on how you perceive your own success" (Employee from Institution A).</p>
<p>"The human being is irrational – his instinct will lead him to try and find a reason why, because he is bright and I am stupid, or maybe he did not deserve it as I am better than him. If you are positive, you might convince yourself that as you have the capabilities you will also succeed as he did, it may break you or strengthen you" (Employee from Institution A).</p>
<p>"...you have people who have really really worked and were side lined and others who just joined the institution, maybe they have some certificates, or they continued studying and they got their promotions but they do not have the experience of those employees who have been performing this type of work" (Employee from Institution A).</p>
<p>"I start doubting how I never had such opportunities, I was never at the right place at the right time" (Employee from Institution A).</p>
<p>"In a vacuum I was extremely happy because I have been acknowledged but when I compared myself to the under performers who were also granted a promotion, I said to myself that the institution considers me at the same level of these people because we were given the same reward" (Employee from Institution A).</p>

Interviewees also expressed their concerns on the lack of control over promotion opportunities. The uncontrolling element is emanated from working in flat organisations that offer limited opportunities for advancement and in case of Institution A it is evident that their manager to supervisor/clerk ratio is inadequate as shown in Table 34.

Table 34: Promotion Autonomy - Lack of Control

<p>“One of the limitations is that when you are working in a flat organisation, you may not be seeing any pathway. Having a bottleneck makes you more frustrated even though you know that it’s a flat organisation and you are prepared for it” (Employee from Institution A).</p>
<p>"...you are in competition with both internal candidates and external ones as some posts are even issued externally and this creates an element of negativity" (Employee from Institution A).</p>
<p>"I do not foresee that I have any chances of being promoted, especially because all employees in the clerical and supervisory grade are facing the situation of an institution that has more managers than clerical staff" (Employee from Institution A).</p>
<p>"But if the situation is that there is the need but they just do not want to increase the head count then that leads to frustration" (Employee from Institution B).</p>
<p>"...in a closed business where everyone has roots and his own area, and you know that they will occupy that position till the pension age" (Employee from Institution B).</p>
<p>“It is quite a flat organisation and if your manager happens to be of your same age it will be difficult to advance if he does not leave” (Employee from Institution B).</p>
<p>“Every organisation has a structure so not everyone can become a Chief Executive Officer, thus we need to fit our expectations into reality. There are only a few who do not have ambition but there is only one Chief Executive Officer, only one Head of Department and so on” (Employee from Institution C).</p>
<p>“Promotions in our institution are becoming more difficult to achieve, and that creates a bad vibe, bad feeling on limited prospects. The word promotion is nowadays creating friction rather than something to look forward to” (Employee from Institution C).</p>

Hence, when ambitious employees experience lack of promotion opportunities, they feel that their chances of success weakens. The latter suggests that in this kind of scenario employees do not perceive any benefits but rather focus on its negative aspects. The two most common reactions included employees experiencing negative emotions and/or the commencement of their search for a job that provides promotion opportunities as depicted in Table 35.

Table 35: Promotion Autonomy - Ability to Search Elsewhere

<p>"If there are no opportunities, it becomes counter-productive because you will be demotivated, will show lack of interest in your job as you become aware that you may be doing the same job for life. That is why people leave the organisation and find a job somewhere else" (Employee from Institution A).</p>
<p>"Lack of promotion opportunities lead staff to feel stuck and if their goal is to progress, they will start searching for opportunities elsewhere even with our own competitors. We will lose the best people and their expertise" (Employee from Institution A).</p>
<p>"We lost a valid person from here, this year, it was a case where she was promised and when it was not delivered she could not wait any longer, found a fantastic post, double the salary, at a different institution and left" (Employee from Institution A).</p>
<p>"If it does not materialise, that is the moment you start looking around" (Employee from Institution B).</p>
<p>"I feel stuck and thus I would start searching for opportunities with a new employer. However, employees who are of a certain age or who are in their comfort zone would not be affected by the lack of promotions within the institution" (Employee from Institution C).</p>

Indeed, the ability to search elsewhere gives the employee a degree of autonomy to pursue a career with another institution if his/her needs are not satisfied by his/her own institution. In contrast, the employee may also experience a degree

of autonomy when he/she is offered a promotion and the final decision of whether to accept or decline remains of the employee. One interviewee showed the importance of seriously considering whether to accept or decline a promotion as it may have repercussions:

“After a period of time, you will eventually lose the motivation. You knew what you were in for, so it is your fault if you accept a promotion blindly” (Employee from Institution B).

Another need that has to be satisfied according to the self-determination theory is that of relatedness. Interviewees affirmed that they feel significant to their institution when they are recognised by means of a promotion. In fact, Table 36 illustrates how recognition fulfils this need.

Table 36: Promotion Relatedness - Recognition

<p>"If there is only one vacancy and you are selected, the same as happened to me when I was promoted in a managerial position, you feel more satisfied as you were selected from many" (Employee from Institution A).</p>
<p>"Your previous work has been judged, they know you are a hard worker and you have been recognised" (Employee from Institution B).</p>
<p>"It shows that the institution appreciates the work you are doing, holistically, the hours you put in, the work you put in, at least there was some recognition" (Employee from Institution C).</p>
<p>"Psychologically, you are recognised and it is a confirmation that you are doing well" (Employee from Institution C).</p>

Since recognition is a sought-after characteristic of promotions by the majority of the interviewees, when employees remain unrecognised the effect on their well-being is significant. Table 37 illustrates interviewees' interpretation of remaining unrecognised by a promotion and its relative consequences.

Table 37: Promotion Relatedness – Remaining Unrecognised

"I have been 29 years with the institution and although I've had very good reports over the years, this promotion never materialised" (Employee from Institution A).
"When you work hard for a promotion but it does not materialise in actual fact, then it's a disaster. If a year goes by, two years, automatically you demotivate yourself" (Employee from Institution A).
"You have to accept that you are a victim of an injustice" (Employee from Institution A).
"...in the long term, if they keep adding more responsibilities but you remain unrecognised for it, you feel used" (Employee from Institution A).

The research findings show that promotions have the capability of satisfying the three basic psychological needs of the self-determination theory. This is because promotions provide self-developmental opportunities and a degree of autonomy when it comes to the ability to search elsewhere and the ability to decline or accept a promotion. Moreover, when materialised, promotions also satisfy the need of relatedness as employees feel that they have been recognised for their work by their institution.

The latter findings combined with promotion expectations identified in the previous section were used as the basis to comprehend how reward-seeking behaviour from promotions influences employee well-being.

4.3.2.3 Reward-Seeking Behaviour from Promotions and Well-being

Promotion expectations and the satisfaction of psychological needs of the self-determination theory are highly dependent on the prospects of being promoted. In essence, data reveals that when an employee has just been granted a promotion or else is expected to be promoted in the near future, the interviewees

are highly motivated and willingly engage in high levels of reward-seeking behaviour. It was also evident that interviewees appreciate the fact that in the process their competence level increases as well. Hence, since their promotion expectations have been or will be fulfilled and their need of competence, autonomy and relatedness are all being satisfied, the employee will benefit from a positive well-being. Table 38 provides a number of proof quotes that show the highly motivating aspects of promotions.

Table 38: Highly Motivated from Promotions

<p>“At first a promotion takes priority, I was recently promoted and I feel that presently the scale is more inclined towards work rather than my family. At least until I get used to the new responsibilities, the focus will be on work but gradually I will find the balance again” (Employee from Institution A).</p>
<p>"When you are granted a promotion, you feel proud of yourself and you will contribute more at this stage" (Employee from Institution A).</p>
<p>"...you will apply more effort if you are expecting a promotion especially in the period when the vacancy is due to be issued or if you have been made aware that there is an available post within your department" (Employee from Institution A).</p>
<p>"If you are willing to do it and not forced to do so, your well-being will be influenced positively" (Employee from Institution A).</p>
<p>"A promotion has an important bearing on the individual's morale, the fact that you are seeing that your effort is reaping its fruits, you will be more energised to continue in this direction by becoming more committed and knowledgeable" (Employee from Institution A).</p>
<p>"The employee feels happier when there are promotion opportunities and I do my utmost for my career and to improve myself, even knowledge-wise" (Employee from Institution C).</p>

Terms that highlight these employees' willingness to perform at high levels include “contribute more”, “apply more effort” and “I do my utmost” which can be

translated into “enthusiasm”. Others reported feeling “energised”. These findings concur with highly motivated employees from bonuses, as they also reported enthusiasm and energy in line with Warr’s two-dimensional view of subjective well-being descriptors.

However, this was not the case for all employees. In fact, some employees reported that their promotion prospects are very low and as a result they are experiencing negative emotions. Indeed, the uncertainty of not knowing when the promotion will be granted is one of the factors that affected negatively employees’ well-being. This was more the case when a promotion takes a very long time to materialise, if it does materialise. Interviewees admitted that these negative connotations led to a low level of engagement in reward-seeking behaviour as the valent aspect of promotions has been lost in the process.

This state has been coined in the term apathetic. Terms used by interviewees in Table 39 included “motivation ceases to exist”, “give up”, “demoralising yourself” and “demotivated”. These are all indicators of “dejection”. Other words that show emotions experienced were “sadness” and “desperate” which respectively represent “sad” and “miserable” descriptors positioned in the lower left quadrant of Warr’s two dimensional view of subjective well-being model.

Table 39: Apathetic from Promotions

<p>"...lack of promotion opportunities affect you negatively as there is no longer a challenge, your motivation ceases to exist as there are no more expectations that can be fulfilled, why keep fighting for it?" (Employee from Institution A).</p>
<p>"If you are working for a promotion but you don't have any clue on when you will be granted this promotion, there will come a time when you give up especially if it takes too long, as all you have left is anger" (Employee from Institution A).</p>
<p>"When you start thinking that there are no opportunities, you start demoralising yourself because you start doubting" (Employee from Institution A).</p>
<p>"...definitely aspiring for a promotion affects you emotionally especially if you keep engaging in this kind of behaviour for a long time" (Employee from Institution A).</p>
<p>"The negative aspects of working for a promotion which has never materialised are the sadness and bitterness that you feel and in my case I ended up taking pills as well because I feel that I deserve to be a manager with a better pay" (Employee from Institution A).</p>
<p>"If you were not recognised by a promotion year on year, you will reach the peak and become demotivated, it becomes counter-productive because you know that whatever you do is useless, so I might as well lower my input" (Employee from Institution A).</p>
<p>"I feel useless and that I am not good enough" (Employee from Institution A).</p>
<p>"...expecting a promotion for a long time results in low morale, lack of trust and reluctance" (Employee from Institution A).</p>
<p>"...with lack of promotions, the person will experience an element of apathy which is very dangerous in my opinion. This is the greatest risk of our institution and it is also a reality as well" (Employee from Institution A).</p>
<p>"I saw people who applied for a promotion just because they wanted the grade but these same people ended up very sad and desperate for a change" (Employee from Institution A).</p>

Interestingly, interviewees portrayed the same negative connotations to their well-being when warranted empowerment was not accompanied with a tangible outcome or reward (Table 40).

Table 40: Apathetic from Empowerment

<p>“...imagine I am empowered to manage a department with no strings attached, with no promotions or benefits. In the beginning it is nice but I assure you that it has a devastating effect in the long run as empowerment does not necessarily lead to a promotion” (Employee from Institution B).</p>
<p>"For a certain period of time, it will be a status quo but in the long run, four to five years, eventually you won't be in a good state" (Employee from Institution B).</p>
<p>"Empowerment affects you negatively because they add your responsibilities and you do not get rewarded for it so obviously your well-being decreases" (Employee from Institution C).</p>

Thus far, the highly motivated interviewees showed high levels of reward-seeking behaviour and positive well-being whilst the interviewees who are in an apathetic state experienced low levels of reward-seeking behaviour and negative well-being. Other interviewees make sure that they have a balance between work and their personal life by engaging in low levels of reward-seeking behaviour for a positive well-being. In fact, some interviewees admitted that if being promoted entails working long hours, they would decline the promotion. One interviewee used the term “content” if granted a promotion as long as it does not conflict with other aspects of her social life. Others warranted a promotion only if it respects certain parameters. Table 41 provides proof quotes on the value of work-life balance for this category of interviewees.

Table 41: Work-Life Balanced from Promotions

"If the institution grants me a promotion with the condition of working till 6pm every day, it will definitely be a no no" (Employee from Institution A).
"I would accept a promotion if I am allowed to work within certain parameters so that the trade-off is not on the high side" (Employee from Institution A).
"Nowadays I have no intention to stay late at work in order to get this famous promotion because when I did and spent almost 10 hours at work, I was not eating properly and my well-being was being affected. I'd better give an excellent six or seven hours rather than stay 10 hours feeling drained" (Employee from Institution A).
"If the promotion hinders my family life, I would not take it, as it will eventually cause problems" (Employee from Institution B).
"I would be content if I earn a promotion but I won't sacrifice my happiness for the sake of a promotion" (Employee from Institution B).

Other interviewees claimed that high levels of reward-seeking behaviour are translated into work-life imbalance. Aware of this fact, interviewees highlighted that if this state is maintained for the short term, the well-being would not be affected negatively. In contrast, these interviewees know that should work-life imbalance persist for the longer term, their well-being would be affected negatively. As Bonebright, Clay and Ankenmann (2000) suggest, as work hours increase, employees find difficulty to balance personal and family needs with work demands. Terms used by interviewees included "exhausted" and "tiredness" which reflect their experience of engaging in high levels of performance for an extended period of time (Table 42).

Table 42: Work-Life Imbalanced from Promotions

<p>"Reward-seeking behaviour affects the work-life balance, on one hand you gain a promotion but on the other hand you will be dissatisfied in your personal life" (Employee from Institution A).</p>
<p>"...when you put in extra effort at work, you seem to have lost interest in anything else, you start taking work home and any spare time you have you spend it at work, then you have an imbalance. If this period lasts for the short term and then you find a balance, well and good. I believe that for a short period of time there is no problem but if it is constant and for a long period of time then it becomes a problem" (Employee from Institution A).</p>
<p>"I stayed after hours for an extended period, and obviously without being paid for it. I was feeling more tired and as the days turned into months, you feel exhausted apart from the fact that you start questioning whether your efforts will be rewarded or otherwise" (Employee from Institution A).</p>
<p>"In an ideal scenario, a promotion should enhance your well-being but most often you are requested to stay till nine o'clock in the evening, which will bring tiredness and abandonment of your wife and kids" (Employee from Institution A).</p>
<p>"I have been spending endless hours at the office for quite a while, and I think that now I am experiencing the consequences of this choice both physically and with my family because they always tell me that I give priority to work over my own family" (Employee from Institution A).</p>
<p>"I am inclined to give a bit of my well-being for the promotion" (Employee from Institution B).</p>

In contrast, some interviewees opt to do their daily job as best as they can and let destiny play its course as depicted in Table 43.

Table 43: Neutral from Promotions

"At the end of the day, you have to do your work, do it well and hope that when the opportunity comes you have a fair chance" (Employee from Institution A).
"We do not have a system where promotions are granted in the short term so you cannot really work for them. You do your usual work and if the opportunity comes along, you take it" (Employee from Institution A).
"...you give your full contribution not for a promotion but you are creating your own satisfaction" (Employee from Institution A).
"You work and live in the usual normal manner because you never know whether you have the chance to be granted a promotion" (Employee from Institution B).
"...you need to do the job and do it well, but not for a promotion" (Employee from Institution C).

As in the case of bonuses, the level of reward-seeking behaviour from promotions differs in accordance to the individuals' expectations and satisfaction of their own psychological needs. Again, the findings demonstrate that a typology of four different types of employees exist which include highly motivated, apathetic, work-life balanced and work-life imbalanced.

4.3.3 Concluding Remarks

The findings of this thesis clearly show that the relationship between reward-seeking behaviour from bonuses/promotions and well-being falls into four categories, mainly highly motivated, apathetic, work-life balanced and work-life imbalanced. A neutral position has also emerged which incorporates those employees who opt to do their work without giving any consideration to the bonus or promotion. These implications lead to the development of the four quadrant reward-seeking behaviour – well-being model which is explained in the next chapter.

Interestingly, data shows that the motivational factor of promotions is much stronger compared to that of bonuses and that more employees were willing to engage in high levels of reward-seeking behaviour from promotions when compared to bonuses. This is because a promotion is deemed to have more career advantages. The latter results are congruent with Van Herpen, Van Praag and Cools's (2005) findings, who state that promotion possibilities on employees' intrinsic motivation is more profound to that derived from bonus incentives.

Highly motivated interviewees were ready to engage in reward-seeking behaviour at a high level without tarnishing their well-being. Interestingly, these interviewees claimed that they experienced positive well-being because they viewed the reward as a valent outcome as well as having a degree of autonomy in choosing to pursue that reward. In contrast, apathetic interviewees experienced an imbalance between their performance and outcome (lack of instrumentality) and as a consequence did not find any value in the reward. Since their needs were not being satisfied, their low level of reward-seeking behaviour was negatively affecting their well-being.

Those interviewees who valued their work-life balance opted to engage in low levels of reward-seeking behaviour. The latter's well-being was positively affected since they placed value in having more personal time or spending time with their family. However, data shows that a number of interviewees were experiencing work-life imbalance because their high levels of reward-seeking behaviour was leading to less personal time and this was negatively impacting their well-being. At the expense of satisfying the need of competence, autonomy and relatedness, these employees were experiencing low levels of well-being.

In the Discussion chapter, the researcher provides an interpretation of results by establishing the relationship between expectancy theory, self-determination theory, reward-seeking behaviour from bonuses or promotions and well-being.

5 Discussion

This chapter compares the investigation findings with the literature reviewed to discuss and evaluate the research question. The findings of this research study endorse a new conceptualisation of the reward-seeking behaviour from bonuses/promotions and well-being with a specific focus on small, medium and large-sized financial institutions operating in Malta.

5.1 Expectancy and Self-Determination Theory influence on Reward-Seeking Behaviour and Employee Well-being

This thesis ties bonuses and/or promotions directly to employees' reward-seeking behaviour and well-being by focusing on reward expectations and satisfaction of the three basic psychological needs established by the self-determination theory. The next sub-sections portray the expectancy theory and self-determination theory's role in influencing reward-seeking behaviour and employee well-being.

5.1.1 Expectancy Theory

According to the literature reviewed, individuals consciously choose particular courses of action based upon their perceptions, attitudes and beliefs, as a consequence of their desire to enhance pleasure and avoid pain (Vroom, 1964). Brunia et al. (2011) argue that when an individual anticipates receiving a stimulus of immediate motivational relevance such as a monetary reward, this stimulus acts as a teaching signal that the consequence of an action is worthwhile. In parallel, the findings of this thesis confirm that employees only exercise effort towards reaching their personal goals when there is an expectation of gaining a bonus and/or a promotion.

In line with Vroom's (1964) expectancy theory, this thesis based the interviewees' source of motivation on three key elements, namely, expectancy, instrumentality and valence. Hence, the change in employees' behaviour is analysed in accordance to the extent to which these three components are satisfied through bonuses and promotions.

The findings of this research study confirm that the expectancy of bonuses stems from the assigned targets whilst the expectancy of promotions comes from having a clear career path. However, there are instances where interviewees find difficulty to predict the relationship between effort and performance either because of the way targets are set or due to lack of career paths. This is congruent with Parijat and Bagga's (2014) claim, who assert that the resulting effort on performance is moderated by the conditions that enhance expectancy which include the availability of necessary resources. Interviewees stated that having specific targets and a clear career path provides them with the drive to apply the necessary effort to reach the required performance.

In the case of bonuses, the possibility of target measurement is deemed as instrumental for the achievement of targets. This finding agrees with Parijat and Bagga's (2014) process of instrumentality, which states that when an employee is motivated to achieve better results, this desire becomes instrumental to the actual achievement of better outcomes. This thesis findings state that the reaching of targets engender feelings of happiness, which in turn have a positive influence on employee well-being.

A common instrumental factor of both bonuses and promotions is the performance-outcome balance. It is evident that employees expect to be rewarded in line with their level of performance in order to experience a balance. Interestingly, the findings demonstrate that those employees who were experiencing a balance between their performance and outcome recounted feeling satisfied. In contrast, those interviewees who were not experiencing a balance reported feelings of frustration. Therefore, employee well-being is

influenced positively only when the employee perceives that he/she achieved a performance-outcome balance. Should an imbalance be experienced, the well-being is affected negatively.

The last element of the expectancy theory is valence which is interpreted as the importance, attractiveness, desirability, or anticipated satisfaction with outcomes (Vroom, 1964). Interviewees interpreted the valency of a bonus or promotion by comparing the outcome to their personal goals. The findings indicate that personal accomplishment, outcome worth and entitlement were all considered as elements that determine the bonus valency. Similarly, the valent aspects of a promotion included feeling a sense of personal accomplishment, fairness and having future prospects. However, it was evident that most interviewees viewed promotions as more valent than bonuses as they affirmed their willingness to accept the repercussions of a promotion since in their view, promotion positives outweigh the negatives. The latter finding confirms that the total sum of valences of promotions is positive as proclaimed by Parijat and Bagga (2014).

Bonuses and promotions were also deemed as time dependent since time influences the extent to which one is satisfied with that particular reward. This is in line with Shipp and Cole's (2015) contention, that one's progress is assessed through an interpretation of retrospective, current and anticipated reward experiences. With regards to bonuses, interviewees affirmed that they expect an annual bonus but they also emphasised that for bonuses not to be taken-for-granted, an institution should also distribute unexpected bonuses. Timing in the case of promotions is dependent on either the employee's circumstances wherein other commitments may take priority or else the institution may be prolonging the period during which it grants promotions. Interviewees stated that when a promotion takes too long to materialise, the feelings experienced are those of deflation, demotivation, devastation, discouragement and self-doubting. All these undesirable feelings have a negative consequence on employees' well-being.

Furthermore, interviewees conveyed a number of emotions which were related to whether the three key elements of the expectancy theory were fulfilled or otherwise. For instance, the expectancy of target achievement brings happiness whereas the instrumentality of having a balance between performance and outcome provides satisfaction. In contrast, performance-outcome imbalance carries feelings of frustration whilst a prolonged period to be promoted conveys feelings of deflation, demotivation, devastation, discouragement and self-doubting. It is evident that positive feelings are attributed to the fulfillment of the key elements of the expectancy theory whilst negative feelings stem from unsatisfied elements of expectancy, instrumentality or valence.

In essence, the findings of this thesis support Vroom's theory as those interviewees who were satisfied with all three components of the expectancy theory showed eagerness to change their behaviour and engage in high levels of reward-seeking behaviour. On the contrary, those interviewees who had unclear targets or lacked future career prospects were reluctant to engage in reward-seeking behaviour especially when they have experienced an imbalance between their performance and outcome. Hence, the findings uphold that when employees had one or more of the expectancy theory components missing, their willingness to engage in reward-seeking behaviour was weak as well.

5.1.2 Self-Determination Theory

This thesis adopts Deci and Ryan's (1985, 2000, 2002, 2008) and Ryan and Deci's (2000, 2001, 2008) self-determination theory to analyse the extent to which psychological needs are satisfied from bonuses and promotions. Ryan and Deci (2000) argue that the three psychological needs of competence, autonomy and relatedness have to be satisfied for an individual to experience positive well-being. These three psychological needs are analysed in the perspective of an employee's decision to change his/her behaviour for a bonus or a promotion.

The findings show that there is a similarity between the expectancy (effort and performance) element of the expectancy theory and competence of the self-determination theory. It was apparent that expectancy was regarded in light of future effort and performance whilst competence was associated with actual effort and performance exerted to achieve that bonus. The actual performance was indeed considered as the employee's competence. In the case of promotions, competencies were regarded as the technical skills and attributes which an employee needs to have prior to being granted a promotion.

Warr (2011) argues that for employees to satisfy the need of competence, the latter need to be given the opportunity to use their existing knowledge and skills whilst acquiring new ones. In parallel, the findings of this thesis confirm that although the selected employee needs to possess certain competencies, the new role should also provide him/her with self-development opportunities. However, this thesis also found that employees want to occupy a role which meets their expectations so as to avoid any instances of incongruence.

The findings determined that as long as competence remains at a self-determined level, interviewees were satisfied with their decision to engage in reward-seeking behaviour. However, their attitude changed when they compared their bonus or career advancement to others. The latter finding is supported by Eisenberger, Rhoades and Cameron (1999) who claim that a reward indicates competence when the employee remains unaware on whether he/she outperformed others. Interviewees reported experiencing feelings of disappointment when they perceived that a particular colleague did not deserve to be awarded that reward.

With regards to autonomy, the findings show that bonuses lack attributes that provide autonomy due to their controlling variables. Interviewees made reference to the institution's discretion in bonus distribution, appraiser's bias and team contribution as the main controlling variables. Although it is evident that bonuses do not provide employees with absolute control over the outcome, interviewees'

need of autonomy is satisfied by the fact that the institution does not have control over their performance. This autonomy may lead employees to adopt risk-taking behaviours for the sake of earning a higher bonus. Interviewees also expressed their concerns on the lack of control over promotion opportunities. The uncontrolling element is emanated from working in flat organisations that offer limited opportunities for advancement and their only control is in their ability to accept or decline a promotion and to start searching elsewhere.

Recognition is the way institutions show their employees that they are significant to them. This thesis ascertains that the need of relatedness is satisfied through the institution's recognition in the form of bonuses and promotions. However, the problem rests when employees remain unrecognised as interviewees reported that the effect on their well-being is significant. A "disaster", "victim of injustice" and "feeling used" were some of the terms used by employees to highlight the negative consequences of not satisfying the need of relatedness.

Overall, the findings of this thesis confirm Deci and Ryan's (2000) claim that extrinsic goals such as monetary rewards and status promotions positively contribute to employees' well-being when they are delivered in a way that satisfy employees' basic psychological needs.

5.1.3 Reward-Seeking Behaviour and Well-being

The previous sections outlined that when all three components of the expectancy theory are satisfied and the psychological needs of competence, autonomy and relatedness are also satisfied, employees show willingness to engage in reward-seeking behaviour. However, the varying degree of satisfaction of these elements influence the extent of engagement in reward-seeking behaviour. As an independent concept, reward-seeking behaviour or as it has been referred to in literature, process performance ranges from 'unmotivated' to 'highly motivated' (Kopf, 1992) or 'apathetic' to 'highly motivated' (Marin, 1990).

Essentially, this thesis draws on expectancy theory as it measures motivation in terms of employee attitude and behaviour (Lawler III & Suttle, 1973). In addition, this thesis also draws on the self-determination theory by focusing on the degree to which an individual's behaviour is self-motivated and self-determined. In terms of the self-determination continuum, 'amotivation' and 'intrinsic motivation' respectively indicate the lowest and highest level of self-determination (Ryan & Deci, 2000). In principle, the more self-determined the employee is, the greater the benefits on his/her well-being.

However, when reward-seeking behaviour from bonuses and promotions was specifically linked to employee well-being, a continuum did not meet the required purpose. This is in line with Warr's (1987) vitamin model which challenges the assumption that there is a linear relationship between job characteristics and indices of employee well-being. Indeed, the findings reveal that categorically some employees who were engaging in low levels of performance reported that it was influencing positively their well-being whilst others stated that they were experiencing a negative well-being. Similarly, some employees who were engaging in high levels of performance experienced positive well-being whilst others suffered negative consequences on their well-being. This resulted in the identification of a typology of four employees, mainly highly motivated, apathetic, work-life balanced and work-life imbalanced.

Specifically, those interviewees who had achievable targets and a clear career path were ready to push their boundaries and self-develop given that they were more likely to experience a balance between performance and outcome. Moreover, those interviewees who also experienced high degree of autonomy in reaching their personal goals proclaimed that they engaged freely in reward-seeking behaviour. All these elements combined with the valent aspects of the reward led interviewees to experience positive well-being. Since this category of employees were experiencing a high level of all the elements of both expectancy and self-determined theory, they were categorised as highly motivated employees.

However, the findings also reveal that another category of interviewees who had achievable targets and a clear career path, took the pushing of boundaries and self-development aspects to an extreme by spending more time at the workplace and limiting their own personal time. Although these employees were engaging freely in high levels of reward-seeking behaviour, they admitted that since the valent aspects of the reward became their priority, it was influencing other aspects of their personal life. The overlap of the engagement in high levels of reward-seeking behaviour on the employees' personal life influenced negatively their well-being. In this regard, these employees were categorised under the heading work-life imbalanced.

Those interviewees who believed that their expected rewards lacked instrumentality and valence engaged in low levels of reward-seeking behaviour. In other words, these interviewees were experiencing a performance-outcome imbalance. The latter may have also influenced their need satisfaction levels as they claimed that when they compare themselves to others, their competencies are viewed as inferior. This is because their effort has not been recognised by the institution. Besides, these interviewees felt that they lack control over the reward outcome. These findings affirm that neither the key elements of expectancy nor the three basic psychological needs of competence, autonomy and relatedness are being satisfied which affected negatively their well-being. These employees were categorised as apathetic.

Furthermore, there were some interviewees who stated that they are currently experiencing a balance between performance and outcome. However, these interviewees admitted that the valency of the reward is not as significant to them as having a balance between work and personal time and thus they opt to engage in low-levels of reward-seeking behaviour. To an extent, this category of interviewees still satisfied their need of competence, autonomy and relatedness through an acceptable level of performance. The latter left a positive impact on their well-being. These employees were categorised under the heading of work-life balanced.

Another category that emerged includes those employees who accept that they have lack of control over the bonus or promotion outcome. In this regard, they choose to do their job in an efficient and timely manner and be recognised through their own work rather than focusing on the reward. These interviewees were categorised as taking a neutral stance as their level of reward-seeking behaviour was not compromising their well-being.

For ease of reference, Table 44 depicts the relationship between expectancy theory, self-determination theory, reward-seeking behaviour from bonuses and promotions and employee well-being. The categories that developed from this thesis feature in the last column of this table except the neutral stance as their motivation is driven by the job itself rather than the reward.

Table 44: Expectancy, Self-Determination, Reward-Seeking Behaviour and Well-being

Expectancy Theory	Self-Determination Theory	Reward-Seeking Behaviour	Well-Being	Category
Effort x Instrumentality x Valence	Satisfaction of psychological needs without repercussions on well-being	High	High	Highly Motivated
Effort x Lack of Instrumentality x Lack of Valency	Unsatisfied psychological needs with repercussions on well-being	Low	Low	Apathetic
Effort x Instrumentality x Lack of Valency	Satisfied psychological needs by maintaining a balance between work and personal life	Low	High	Work-Life Balanced
Effort x Instrumentality x Valence	Satisfaction of psychological needs with repercussions on well-being	High	Low	Work-Life Imbalanced

These findings led to the development of a theoretical model, the reward-seeking behaviour – well-being model which is discussed in the next section by respectively focusing on reward-seeking behaviour from bonuses and reward-seeking behaviour from promotions and its influence on employee well-being.

5.2 Reward-Seeking Behaviour and Well-being Model

Most companies entice employees to perform better in order to reach organisational goals by the prospect of a monetary bonus or a promotion. However, and as discussed in the previous sections, the expectations and psychological needs' satisfaction differ amongst employees. In addition, the extent to which expectations and needs are satisfied determines the level of reward-seeking behaviour and its influence on employee well-being.

In this regard, the researcher developed a new theoretical model, specifically, the four quadrant reward-seeking behaviour - well-being model. Figure 1 depicts the four quadrant reward-seeking behaviour – well-being model wherein the y axis represents the level of reward-seeking behaviour from bonuses and/or promotions which extends from low to high. The x axis denotes employee well-being which also ranges from low (negative) to high (positive).

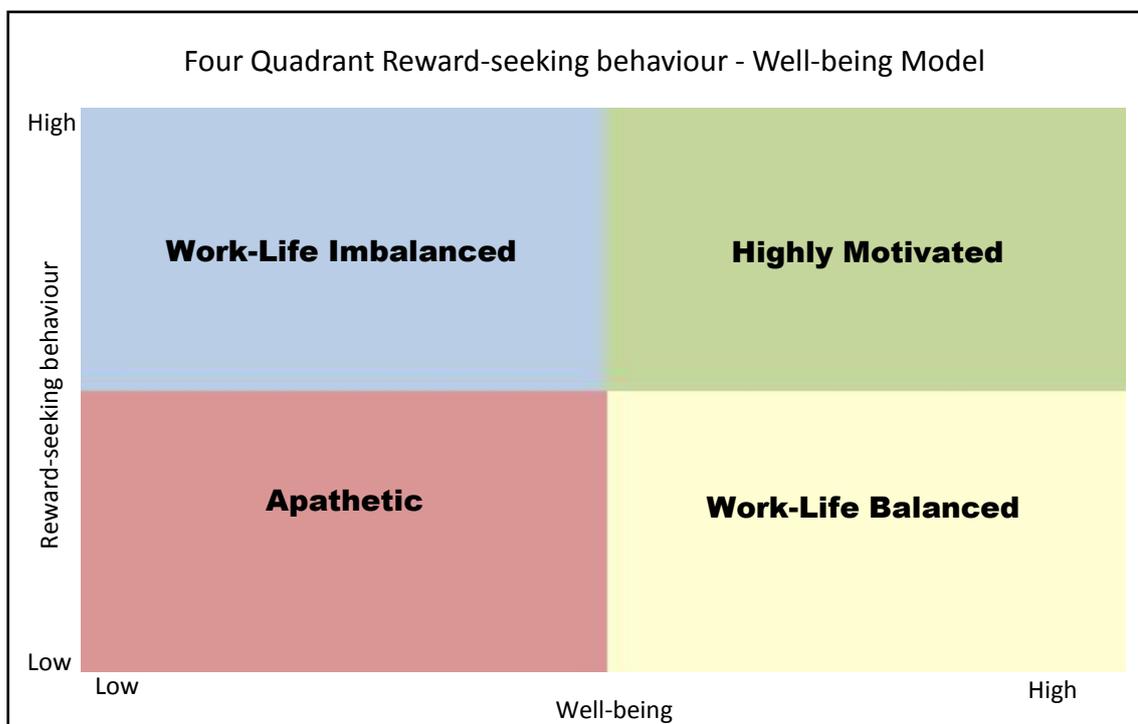


Figure 1: Four Quadrant Reward-Seeking Behaviour - Well-being Model

This two by two matrix takes reward-seeking behaviour and applies it to well-being in order to recognise the impact of rewards from the point of view of employees rather than on their productive aspect. The four quadrant perspective has been adopted because as argued by Warr et al. (2014), it provides greater specificity of analysis and precision of prediction. The categories of employees identified by this research study are portrayed as quadrants of this model. The quadrants thus represent employees' self-determined state of well-being through their reward-seeking behaviour.

The term highly motivated was selected as the label for the upper right quadrant to be in line with the name given to high performance by the expectancy theory (Kopf, 1992). Similarly, the self-determination continuum portrays intrinsic motivation as the type of motivation that instigates high performance with optimal influence on employee well-being. In this regard, the highly motivated quadrant portrays a state of high reward-seeking behaviour and high (positive) well-being.

The word apathetic has been chosen as the label for the lower left hand quadrant as Marin (1990) uses the term apathetic to refer to individuals who engage in low levels of performance. The other options included unmotivated in accordance to the expectancy theory or amotivated in line with the self-determination continuum. However, since this category of employees are not only engaging in low performance levels but are also experiencing low levels of well-being, the researcher considers the selected label as more adequate and self-explanatory.

The other two labels – work-life balanced and work-life imbalanced were purposely selected because these categories of employees kept referring to their balance, or lack of, between the time spent at work and their own personal time. The latter concurs with Gröpel and Kuhl (2009) definition of work–life balance which is the perceived sufficiency of the time available for work and social life whereas work-life imbalance is based on lost resources of time, energy, and feelings toward work and personal life (Fisher, 2001). On one hand, some interviewees ensured that no matter how valent the reward is, their prime focus

remains their work-life balance as the latter provides high (positive) well-being. In this regard, the work-life balanced quadrant has been placed in the lower right hand side of the model. On the other hand, some interviewees admitted that their high level of performance is negatively affecting their well-being due to work-life imbalance. Therefore, the work-life imbalanced quadrant has been placed in the higher left side of the model.

In the next subsections, the quadrants of this model are further explained and compared to existing literature on bonuses and promotions.

5.2.1 Highly Motivated

The highly motivated quadrant is positioned in the upper right side of the four quadrant reward-seeking behaviour – well-being model. The reason for this positioning is that the feelings experienced by this category of employees strongly resemble the high levels of pleasure and arousal of Warr's two dimensional view of subjective well-being model. Indeed, highly motivated employees reported being full of energy and enthusiasm. These strong activated emotions tie in to the upper right descriptors of Warr's model.

An employee is deemed to be in the highly motivated quadrant when the time and energy allocated towards attaining a reward, being either a bonus or a promotion is on the high side. In the case of bonuses, highly motivated individuals regarded the achievement of set targets as the vehicle that would lead them to the expected bonus. In this regard, their performance is instrumental to be recognised by a monetary bonus. These interviewees claimed that they apply more effort and that they are motivated to work harder for a bonus.

With regards to promotions, highly motivated employees included those individuals who have just been granted a promotion or else are expecting to be promoted in the near future. The latter finding is validated by Vroom (1964) who asserts that employees will strive to perform effectively in their jobs, if they expect

that by doing so they will increase their chances of receiving a promotion. In parallel to bonuses, highly motivated employees from promotions also stated that they apply more effort and that they are enticed to work harder. However, it is evident that a larger number of employees proclaimed that they were highly motivated by promotions compared to a much smaller number in the case of bonuses.

Regardless of the numbers, highly motivated employees from both bonuses and promotions believe that they are engaging freely in the reward-seeking behaviour and thus they have excluded any possible element of control. The combination of all these factors ultimately lead to positive well-being.

5.2.2 Apathetic

The greatest risk for organisations in general including financial institutions is when their employees settle in the apathetic quadrant. The researcher notes that apathetic employees were very cynical about the rewards offered by their institution. This cynicism occurs when the perceived merited bonus or promotion does not materialise as expected. In the case of bonuses, the bonus amount and the fact that the bonus is not added to the annual salary were the major reasons of disengagement. In essence, these employees did not consider bonuses as valent but rather demotivating and unimportant. The same was reported by interviewees whose promotion prospects were very low as the valent aspects of the promotion are lost in the process during which one is expecting to be promoted.

The apathetic quadrant is positioned in the lower left hand side of the model as this quadrant resembles the low levels of pleasure and arousal of Warr's two-dimensional view of subjective well-being model. This category of interviewees referred to bonuses as having "no significance", "immaterial" and "not driven by it" which indicate "dejection". Similarly, with regards to promotions, interviewees used phrases like "motivation ceases to exist", "give up", "demoralising yourself"

and “demotivated”. These are also indicators of “dejection” – a descriptor positioned in the lower left quadrant of Warr’s two dimensional view of subjective well-being model. Other words that show emotions experienced by apathetic employees included “sadness” and “desperate” which respectively represent “sad” and “miserable” descriptors which are also positioned in the lower left quadrant of Warr’s two dimensional view of subjective well-being model.

As a consequence of these negative emotions, apathetic employees choose to disengage completely or else maintain a very low level of reward-seeking behaviour instead of seeking motivation to ratify the situation. This is in line with Landy’s (1978) argument, that is, the level of performance is an indication of the potential power that those stimuli have for affecting the individual’s behaviour which in this case is almost non-existent. The low level of motivation to pursue a bonus or a promotion influences negatively employees’ well-being. However, it is important to note that the negative connotations of bonuses on well-being emanated from the conscious decision of employees to give less importance or significance to the bonus. However, having lack of promotional opportunities was the direct contributor of negative emotions which influences negatively employees’ well-being.

5.2.3 Work-Life Balanced

The work-life balanced quadrant positioned in the lower right side of the model represents those employees who opt to experience a balance between their working life and their own personal life. This is in line with Guest’s (2002) claim, that is, an employee searches for an acceptable and stable relationship between work and life. The findings confirm that this category of employees have work-life balance as a personal goal which may conflict with reward-related goals. Such employees preferred spending more time with the family rather than applying high levels of reward-seeking behaviour to maximise their bonus amount or to be promoted in the near future.

Specifically, the findings show that these employees are not ready to sacrifice their personal time for a bonus. Indeed, the happiness derived from work-life balance prevailed over any other valent aspect of the bonus. This category of employees made specific use of the term “happiness” which is another word for “contented” - a descriptor in Warr’s two dimensional view of subjective well-being model which is also positioned in the lower right quadrant.

In parallel and even though promotions are valent for this category of employees, they are not willing to work long hours. In fact, some interviewees admitted that if being promoted entails working long hours, they would decline the promotion. One interviewee used the term “content” if granted a promotion as long as it does not conflict with other aspects of her social life. Others warranted a promotion only if it respects certain parameters.

In essence, these employees are capable to maintain a healthy reward-seeking behaviour and thus they do not feel overworked. Hence, these employees consciously maintain a balance between the effort exercised towards achieving a reward and the reward itself for the sake of a positive well-being.

5.2.4 Work-Life Imbalanced

The work-life imbalanced quadrant represents those employees who engage in high levels of reward-seeking behaviour to the detriment of their well-being. This is congruent with Warr’s (2011) claim, that is, in the pursuit of attaining established goals, employees may be involved in sustained and unpleasant effort. In fact, these employees admitted that they are compromising part of their personal life on behalf of the reward prospect or actual reward attainment. Terms used by these interviewees included “exhausted” and “tiredness” which also reflect their experience of engaging in high levels of performance for an extended period of time.

This category of employees regard bonuses as rewards that take priority in one's life which is the reason for work-life imbalance. As a consequence well-being is also affected negatively. With regards to promotions, it is evident that they provide an element of satisfaction to these employees and thus they engage in high levels of reward-seeking behaviour by working longer hours and exerting more effort. However, they are cognisant that their behaviour influences their personal life, in particular their energy levels and the time spent with their family. This finding agrees with Bonebright, Clay and Ankenmann's (2000) statement, that is, as work hours increase, employees find difficulty to balance personal and family needs with work demands.

The four quadrant reward-seeking behaviour –well-being model is predicated on the interactions between two underlying forces: reward-seeking behaviour and well-being. Clearly, employees move in and out of all four quadrants depicted in Figure 1, depending on the situation. In this regard, the next section discusses the possible processes an employee may experience during his/her career.

5.3 Self-Determined State of Well-being through Reward-Seeking Behaviour

The four quadrant reward-seeking behaviour - well-being model classifies the level of employees' reward-seeking behaviour in relation to well-being according to their current reward expectations and self-determination. The emphasis here is on the word current, as an employee may move from one quadrant to another depending on his/her present circumstances, values and/or beliefs as per Figure 5 below.

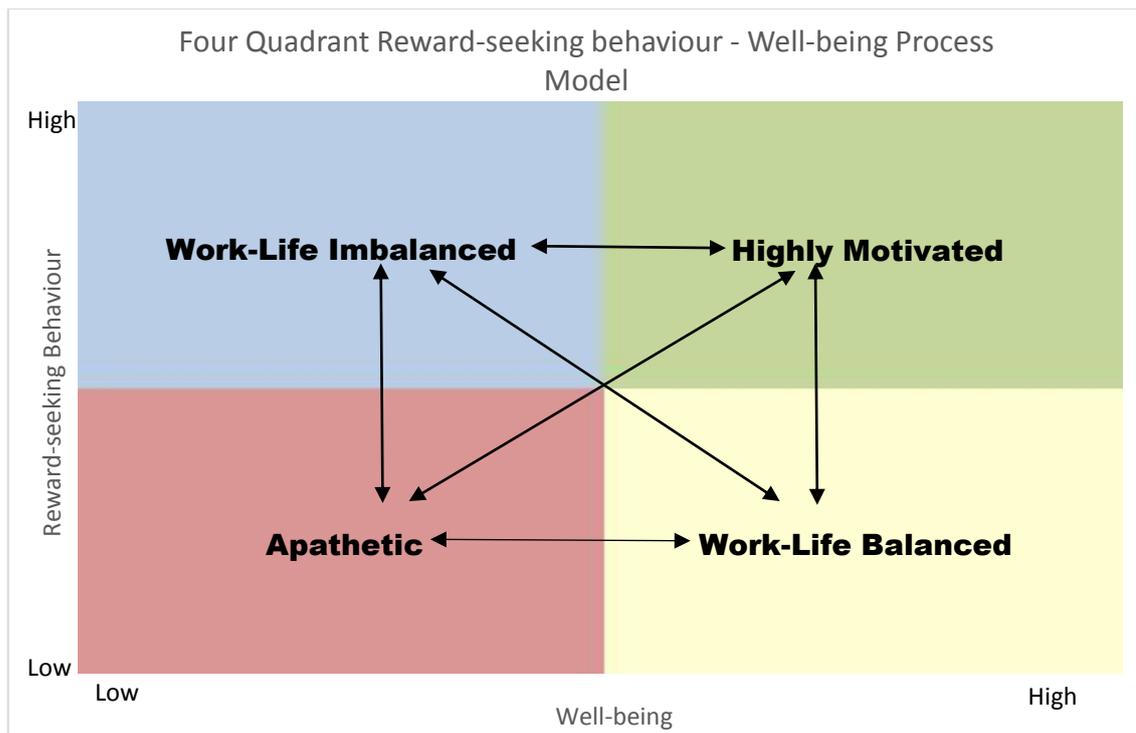


Figure 5: Four Quadrant Reward-Seeking Behaviour - Well-being Process Model

The value of the above two by two matrix is primarily derived from understanding how employees move from one area to another. Every employee may go through every quadrant at certain points in their career and may even change their position frequently, depending on his/her expectations and satisfaction of basic psychological needs. As depicted in Figure 5, there are 12 possible moves an employee may undertake. For instance, if an employee is in the highly motivated quadrant, he/she may move to the work-life balanced quadrant, work-life imbalance quadrant or apathetic quadrant. In essence, all the other three quadrants are available for the employee to move into. Needless to say, the same possibilities apply to all the other quadrants.

Indeed, the four quadrant reward-seeking behaviour – well-being process model has been developed as interviewees made reference to time as a determining factor of their reward-seeking behaviour and well-being. In this regard, the next section focuses on how time influences the self-determined state of well-being through reward-seeking behaviour.

5.3.1 Time Dependency

The findings of this thesis clearly indicate that the most natural and warranted state is the work-life balanced quadrant. This research study confirmed that employees seek a balance between the time allocated to their work and their lifestyle or personal life. This is only achieved when employees properly prioritise between their work and career ambitions and their well-being including health, leisure and family.

However, interviewees reported that the closer one gets to the attainment of a reward, the harder they are willing to work for that reward. In fact, interviewed employees confirmed that towards the end of their appraisal period, their effort increases in order to attain a larger bonus. This also applied in case of promotions, wherein an employee who expected to be promoted in the short-term, increased his/her output during this period. Even employees who have just been promoted, were willing to engage in the high zone of reward-seeking behaviour for a number of months in order to justify management's decision to promote them. This means that for that particular period of time, these employees would be in the highly motivated quadrant.

Participants reported that engaging in reward-seeking behaviour in the short-term does not impact negatively their well-being as long as this kind of behaviour is warranted by them. Notwithstanding, this highly motivating status does not last for the long-term even when an individual is attaining the sought-after bonuses and/or promotions. In other words, employees seek for work-life balance in the long-term rather than to remain in the highly motivated quadrant as the latter is deemed impossible to maintain for an extensive period.

In fact, once employees adapt to their new role and responsibilities or else attain the expected bonus, they fall back to the desired work-life balanced quadrant. However, if this high reward-seeking behaviour is extended for the medium to the long-term, job demands ultimately start negatively impinging on employees' well-

being. The recurring concern cited by interviewees was lack of balance between work and personal time, thus being in the work-life imbalanced quadrant.

Furthermore, when the actual reward does not materialise in line with employees' expectations, this may lead employees to the apathetic quadrant. This is confirmed by Kohn (1993) who states that the problematic aspect of employees' expectations is that when they do not attain the bonus or promotion that they were hoping for, the intensity of their negative feeling of demoralisation escalates in tandem to the level of desirability for that reward. In essence, an employee may be hoping to get a certain reward but can never be sure what he/she will receive, if he/she does not wait for the actual reward. Employees' expectations may have not been met due to:

- i. receiving a lower than expected bonus;
- ii. not earning a bonus for that particular year; and/or
- iii. a promised or an expected promotion which has not been granted in the estimated timeframe.

In essence, employees will move from one quadrant to another depending on their circumstances and in no particular order. For instance, an employee may be in the highly motivated quadrant and when he/she does not attain the expected reward may shift to the apathetic quadrant. However, it may also be the case that from a highly motivated state, an employee moves to the work-life balanced quadrant as soon as he/she has settled in his/her new job. Alternatively, if a high level of reward-seeking behaviour is exerted over the long term, an employee may move from highly motivated to the work-life imbalanced quadrant.

Furthermore, this thesis acknowledges that it may not always be the case that an employee moves from one quadrant to another as he/she may either settle in a particular quadrant such as that of apathetic, work-life balanced or work-life imbalanced.

5.4 Concluding Remarks

The findings presented in this chapter add further knowledge on the instances where employees may engage in high or low levels of reward-seeking behaviour for a bonus and/or promotion and the influence of this change in behaviour on their well-being. The findings indicate that the timing of when a person perceives that he/she may be excessively engaging in reward-seeking behaviour may vary from that of another person. However, the common factor was that once each interviewee acknowledged that he/she reached the point that they believed that they were working too hard, then they confirmed that their excessive effort was impacting negatively their well-being. This concept triggered the researcher to delve deeper into the data which led to the development of two theoretical models.

The two models discussed in this chapter outline the respective relationship between: (1) reward-seeking behaviour and well-being and (2) reward-seeking behaviour and well-being as a non-sequential process. The first model, namely the four quadrant reward-seeking behaviour - well-being model emerged as the dominant paradigm from which the second model, the four quadrant reward-seeking behaviour - well-being process model was developed. This in view that employee engagement in reward-seeking behaviour is not constant throughout his/her working life but varies in accordance to the timing of reward and personal circumstances.

In the final chapter of the thesis these findings will be put in their proper perspective, and further recommendations will be proposed.

6 Conclusions and Recommendations

6.1 Introduction

This thesis seeks to explicate how reward-seeking behaviour emanating from bonuses and promotions influences employee well-being among Maltese financial institutions' employees. The context for contribution has been stipulated through existing knowledge which frames extrinsic rewards as motivators that instigate a change in employees' behaviour for the benefit of the organisation. The fact that previous research has been conducted from an employer's point of view rather than from an employee's perspective provides a theoretical orientation for this thesis. Indeed, the focal point of this thesis is to relocate the attention on the worker, by bringing employees' well-being at the centre-stage with regards to reward-seeking behaviour. The conclusions and contribution of this research study is provided hereunder, followed by the key recommendations, limitations of the research study and proposals for future research.

6.2 Literature Gaps

The scope of this research study was to establish the relationship between reward-seeking behaviour emanating from bonuses and promotions, and employees' well-being by drawing on Vroom's (1964) expectancy theory and Deci and Ryan's (1985, 2000, 2002, 2008) and Ryan and Deci's (2000, 2001, 2006, 2008) self-determination theory. The crucial void identified by this study is that the existing literature only focuses on reward mechanisms introduced to achieve behavioural changes in employees for organisational performance (Cox, Brown & Reilly, 2010). The findings of previous studies relate to the beneficial and detrimental effects of rewards for organisations, thus the effect of rewards for employees has remained an under researched area. Furthermore, existing literature does not offer a detailed analysis of the influence of reward expectations and self-determination on the level and willingness to engage in reward-seeking behaviour. Specifically, two gaps in literature were identified:

- i. the lack of understanding of how employees' expectations and self-determination of earning a bonus or promotion influences reward-seeking behaviour and;
- ii. the neglect of the consequences of reward-seeking behaviour in relation to employee well-being.

In order to address these gaps, a qualitative research method and design was utilised. This research study was epistemologically rooted in interpretivism and involved three financial institutions operating in Malta. The next section highlights the contributions put forth by this thesis.

6.3 Research Contributions

This thesis establishes the relationship between reward-seeking behaviour from bonuses or promotions and employees' well-being. In contrast to existing literature, the findings of this research study provide an employees' perspective instead of the beneficial and detrimental effects of rewards for employers. This thesis contributes significantly to existing scientific knowledge because it gives the human factor its due importance instead of focusing on the productive element of rewards.

It builds on existing literature by drawing on expectancy theory and self-determination theory and establishes how the changes in employees' behaviour made to enhance their chances of achieving a bonus or a promotion influence their well-being. In essence, employees are deemed to evaluate the actual bonus or promotion in relation to their own reward expectations and if these expectations are confirmed and their psychological needs have been satisfied, employees experience a state of happiness as a by-product.

The main research contribution of this thesis is the development of the four quadrant reward-seeking behaviour - well-being model (Figure 1) – a model that

recognises the broader impact of bonuses and promotions by classifying the level of employees' reward-seeking behaviour in relation to well-being. This model clearly shows that the relationship between reward-seeking behaviour from bonuses or promotions and well-being has four categories, mainly highly motivated, apathetic, work-life balanced and work-life imbalanced. A neutral position has also emerged which incorporates those employees who opt to do their work without giving any consideration to the bonus.

Employees report being highly motivated when the expected reward positives and satisfaction of psychological needs outweighed the negative aspects. In these cases, employees freely engage in reward-seeking behaviour for their high levels of well-being. Others disengaged completely or maintained a very low level of reward-seeking behaviour following non-actualisation of expectations and basic needs' satisfaction and these employees were classified in the apathetic category.

The other two categories include work-life balanced and work-life imbalanced. The work-life balanced quadrant represents those employees who opt to experience a balance between their working life and their personal life. This category of employees are capable to maintain a healthy reward-seeking behaviour which leads to positive well-being. On the contrary, work-life imbalanced quadrant represents those employees who engage in high levels of reward-seeking behaviour to the detriment of their well-being. In fact, these employees are compromising part of their personal life on behalf of the reward prospect or actual reward attainment.

It is important to note that the expectancy theory assumes that rewards will increase motivation and that the more effective the performance, the more rewards an individual receives. This assumption holds true for highly motivated and work-life imbalanced employees as their performance increases with rewards since expectancy, instrumentality and valence are all satisfied. However,

the expectancy theory fails to recognise the impact on employee well-being when high level of performance is exercised. Indeed, this thesis found that although highly motivated and work-life imbalanced employees both engage in high levels of reward-seeking behaviour, the effect on their well-being respectively varies from positive to negative. On the other hand, this thesis found that a category of employees classified as apathetic are not motivated to act by rewards and as a consequence their well-being is negatively effected whilst employees who value their work-life balance would not compromise their positive well-being for valent rewards.

The self-determination theory states that internalisation is fully accomplished when employees experience intrinsic motivation. Hence, once employees are in this self-determined state, they experience optimal well-being. However, the findings of this thesis clearly show that highly motivated employees, considered as fully accomplished individuals, do not only give weight to the intrinsic aspect of rewards but also to its extrinsic ones. This is done without tarnishing their positive well-being.

Another contribution of this thesis is that it acknowledges that an individual's career is not static and that an employee may move from one quadrant to another depending on his/her present circumstances, values and/or beliefs through the development of the four quadrant reward-seeking behaviour – well-being process model. This model incorporates the issue of time as a determinant of the change in quadrants. Indeed, when employees engage in high levels of reward-seeking behaviour through choice and this is exercised on a gradual or one-off basis, the employee would be in the highly motivated quadrant and his/her well-being is not affected negatively. But, if reward-seeking behaviour is imposed or exercised for the medium to the long-term, employees will then move to the work-life imbalanced quadrant as it has negative consequences on their well-being. Most often, work starts to interfere with one's own personal life. However, evidence shows that one tries to move to the work-life balanced quadrant as a balance between work commitments and his/her personal life is deemed important for a

positive well-being. In all, there are 12 possible moves which are dependent on a number of variables.

The findings of this research study and its contributions provided insight for recommendations to financial institutions which are discussed in the following section.

6.4 Recommendations

Employers work to create an organisational context where employees feel enthusiastic, energised, and motivated. However, the findings of this thesis confirm that only the highly motivated typology reported feeling enthusiastic, energised and motivated from bonuses and promotions. The other categories experienced milder positive emotions or negative ones. In this regard, the researcher has four recommendations for possible implementation by financial institutions. These include people analytics, training for line managers, one to one meetings with human resources officials and the appointment of a well-being committee.

6.4.1 People Analytics

The four quadrant, reward-seeking behaviour – well-being model is especially useful in clarifying the categories of employees within an organisational context. The four categories of employees identified by this thesis include highly motivated, apathetic, work-life balanced and work-life imbalanced. In this regard, the researcher recommends that this model is used by financial institutions as an analytical tool to visualise the actual employee mix according to the categories in the model. To implement this recommendation, institutions must utilise appropriate supporting assessment methods.

Once, the current situation is recognised, the institution may compare the results with their desired employee mix so as to identify any gaps between the two. If the outcome of the analysis results in a number of gaps, the institution may devise a plan of action to eliminate or minimise this disparity. Indeed, the model serves as another method of analytics that can help managers and executives make decisions about their employees. However, the main advantage of using this model is that it allows for the consideration of employee well-being in strategic planning.

6.4.2 Training for Line Managers

The relationship between employees and their managers has an important influence on reward expectations and psychological needs' satisfaction. In this regard, this recommendation highlights the necessity to train line managers in two specific areas, mainly on their role in reward distribution and to recognise early signs of employees' low levels of well-being.

The findings of this thesis show that lack of autonomy is felt because employees have limited control over their appraiser's bias and promotion opportunities. To minimise appraisers' bias, the researcher recommends that managers attend a training programme that conveys best practices on how to evaluate performance and avoid biases. Ideally, managers are also trained on how to positively endorse talented employees by recommending them for a promotion to higher management. These newly adopted management skills may change employees' reward expectations and need satisfaction levels.

The other recommended training is intended to help managers recognise early symptoms of employees' low levels of well-being by providing a number of case studies. For instance, a manager may notice that an employee's satisfactory performance has turned to poor performance or that an employee who has always been energetic (highly motivated) is constantly tired (work-life imbalanced). Other indicators may include increased sickness absence, staying

much longer at work or visible changes in employee's emotions or mood. Apart from recognising the symptoms, this training needs to provide line managers with supportive tools to deal with such situations so as to ensure that those employees who are experiencing low levels of well-being ameliorate their state of well-being. Nonetheless, these managers should also be trained to identify those cases that require professional attention or which need to be escalated further within the same institution.

6.4.3 One to One Meetings

On the one hand, the findings show that promotion opportunities motivate the majority of employees to stay and grow within their existing financial institution. On the other hand, organisations are cognisant that if they succeed to fit a particular job to an employee who possesses the right skills and he/she is also provided with promotion opportunities, the firm benefits in terms of productivity and performance goals (Saporta & Farjoun, 2003). However, this thesis confirmed that some interviewees were currently experiencing a performance-outcome imbalance.

The researcher thus recommends that employees are provided with the opportunity to hold one to one meetings with a human resources officer so as to discuss their promotion expectations. It is then the responsibility of the human resources officer to guide the employee to a clear career path which could lead him/her to materialise those expectations. But, it is also the human resources officer's duty to provide honest feedback and specify at the outset when employees' expectations are unlikely to be materialised. This recommendation prevents employees' disappointment as they are fully informed on the likelihood of a promotion materialising or otherwise.

6.4.4 Well-being Committee

This thesis confirmed that bonuses and promotions do instil employees to engage in varying degrees of reward-seeking behaviour and that its influence on well-being may be either positive or negative. In particular, the work-life imbalanced quadrant classifies employees who are engaging in high levels of reward-seeking behaviour with negative consequences on their well-being. On the contrary, apathetic employees engage in low levels of reward-seeking behaviour but their well-being is also influenced negatively. The researcher thus recommends that an apposite committee is instituted to review apathetic and work-life imbalanced cases. In essence, the remit of this committee is to ensure that their employees embrace a positive well-being.

The findings show that apathetic employees did not view bonuses as a valent reward and that at a point in time they experienced an imbalance between their performance and reward outcome. As a consequence this category of employees opt to disengage. Hence, the committee's main responsibility lies in proposing different reward strategies and motivational programmes to change reward expectations and need satisfaction levels. Furthermore, the committee may propose to combine the extrinsic motivation of rewards with job redesign so as to make performance intrinsically rewarding as well. The redesigned jobs may take the form of a more challenging and participative nature wherein employees are provided with the autonomy to take decisions related to their jobs. To encourage feelings of competence, employees should also be given the opportunity to use and develop a variety of skills in their job. If the redesigned job has a direct impact on the work of others, the need of relatedness is also satisfied.

With regards to work-life imbalanced, the aim of the committee is to monitor trends of excessive reward-seeking behaviour to the detriment of employee well-being. Indicators of excessive reward-seeking behaviour – to name a few, may include the monitoring of overtime rates, long hours and sick leave reports. Hence, the committee is responsible to act when an employee experiences work-

life imbalance in the medium to long-term. Possible solutions could include recruiting new resources, re-evaluating job processes and/or job sharing.

6.5 Research Study Limitations

There are a number of limitations to this study, these include the scale of the study, and the subjective measures adopted, the timeframe of the data collection process and gatekeeping negotiations.

Firstly, this is a small scale study which focuses entirely on one sector of the industry, namely the Maltese financial services industry. The latter prevents generalisations of the findings across financial industries in other parts of the world, as well as to other industries. Hence, it remains unclear whether the reported relationships between bonuses and/or promotions and well-being can be generalised to other sectorial organisations. In fact, it would be interesting for this study to be carried out across different sectors.

Secondly, the researcher experienced considerable difficulty in obtaining gatekeeping access from other local financial institutions. In fact, the researcher approached other four major financial institutions operating in Malta that declined the offer to be part of this research study. In this regard, the sample consists of Institution A - whose workforce is much larger than that of Institution B and Institution C. It would have been ideal if the other two financial institutions were of the same size of Institution A, as this would have ensured a more homogeneous sample and eliminate imbalances in size. Furthermore, Institution B's employees have simply not experienced a certain type of seniority within this organisation since Institution B has been established for less than 12 years compared to the other financial institutions who have been operating for over 30 years and thus have a mix of employees with a short, medium and long tenure. Despite this limitation, the sample provided validity to this study as it was

conducted in both small and medium sized institutions as well as a large institution.

Thirdly, another potential limitation of this thesis is the nature of qualitative research itself as the researcher only utilised subjective measures to collect and interpret the data discarding the use of a quantitative instrument. The researcher thus acknowledges that using objective measures alongside subjective measures would have strengthened the research study.

Fourthly, the timeframe within which the data was collected for this study may also be considered as a limitation. In fact, a longitudinal study could have yielded more insight on when and why an employee chooses to remain in a particular quadrant or else move to another quadrant. Data collected during different intervals of an employee's career would have allowed the researcher to document the actual reward-seeking behaviour - well-being process of its participants.

Finally, it must be noted that, although the models developed were supported by the findings, the dynamics external to the researched organisations were not considered in this study. Economic necessities, for instance, may be the reason why an employee is exercising a high reward-seeking behaviour, thus even though the employee may be cognisant that his/her behaviour may have a negative impact on his/her well-being, he/she will still exercise high reward-seeking behaviour in order to meet his/her basic needs.

Despite these limitations, this research study remains a valuable source of information and reference. In addition, these limitations provide an opportunity for further research in this area.

6.6 Future Research

6.6.1 Bonus Impact on Line Managers

Line managers, as appraisers, are faced with a number of challenges, one of which is eliminating bias as well as ensuring equitability. However, they also acknowledged that certain conflicting situations make their task harder. These instances exercise undue pressure on the appraiser as they ultimately know that their decision will affect another human being. In particular, a low score demotivates further poor performers and giving a higher mark than the one deserved is unfair on those employees who applied more effort and achieved the same or similar mark. Due to the fact that the researcher was interested in how bonus and promotions affect appraisees' well-being, further prompts were not deemed relevant for this research study. However, the researcher recommends that this literature gap on performance management is addressed in further investigations.

6.6.2 Expected Promotions

It is apparent by the lack of empirical studies in the literature that there are several key areas related to expected promotions which were beyond the scope of this thesis but may be investigated further. The main problem with expected promotions is that employees lack the knowledge about their chances of success. In essence, they may be striving for a promotion even if there is limited or no opportunity. Therefore, future research could concentrate on recommending methodologies on how expected promotions could become an integral part of a structured process that ultimately leads to an actual promotion within the institution.

6.6.3 Reward-Seeking Behaviour - Well-being Tool

The research study findings led to the emergence of the four quadrant reward-seeking behaviour - well-being model (Figure 1). In the Discussion chapter, the

researcher explained that this model represents the current state of an employee's reward-seeking behaviour and well-being. Furthermore, the characteristics of each quadrant were delineated. However, to add value to this newly developed model, the researcher recommends the design of a tool that may be utilised by organisations to gauge the reward-seeking behaviour - well-being status of their employees.

This tool may take the form of a questionnaire that asks a number of questions specifically designed to capture the reward-seeking behaviour level and perceived well-being status at the time of completion. By the development of this questionnaire, institutions would have the ability to make use of this tool to assess the level of reward-seeking behaviour and well-being of their workforce. The input of the institution would be to furnish the employees with a copy of this questionnaire and explain the importance of duly completing it. The total score achieved, when the questionnaire is duly filled, will eventually indicate the quadrant in which that particular employee currently stands.

Thus, if the goal of the institution is to have the majority of its employees in the work-life balanced quadrant, the action that needs to be taken would be with regards to all those employees whose score represented apathetic, work-life imbalanced and to a certain extent, even highly motivated. Once remedial action has been taken, the institution has the opportunity to ask the relative employees to complete the questionnaire once again so as to evaluate the effectiveness of the measures adopted. Needless to say, people and circumstances change and thus such exercises should be carried out on a regular basis and/or when a major change occurs.

In sum, this practical tool enables the institution to know exactly where the employee stands rather than relying on guess work. This initiative is recommended by the researcher to further promote the institution's commitment towards employees' well-being.

6.7 Researcher's Thoughts and Remarks

The researcher presents her thoughts and remarks on the journey of this research study that started from an inquiry and ended in an extensive research. In the process, a wide range of journals and books on expectancy theory, self-determination theory and well-being have been read that provided a sound knowledge on the subject matters to be researched. The major challenge encountered included gatekeeping access as the researcher encountered four refusals before three financial institutions agreed to participate in this research study. Persistence proved to be the greatest asset as once permissions were granted and ethical approvals were in place, the researcher started her fieldwork, transcriptions, analysis of data and writing of the chapters of this thesis. Indeed, this was a developmental experience that changed the researcher as an individual.

6.8 Final Word

The findings unequivocally support the notion that a sustainable balance, if warranted is possible between the chosen rewards - bonuses and/or promotions, their corresponding reward-seeking behaviour and employee well-being. Despite its limitations, this thesis contributes to the current knowledge by successfully highlighting the expectations and satisfaction of psychological needs from bonuses and promotions whilst simultaneously comparing them to the level of reward-seeking behaviour an employee is willing to engage in. This research study identified, for the first time the typology of apathetic, work-life imbalanced, highly motivated and work-life balanced in terms of reward-seeking behaviour and well-being, which is indisputably important for financial institutions to gauge the state of well-being of their workforce. Moreover, by investigating the relationship patterns between actual and expected rewards, and the implications of their confirmation or otherwise, the process an employee undergoes to experience high or low levels of well-being is identified.

7 Appendices

Appendix A - Interview Guide for HR Managers

1. Why does the organisation choose bonuses over other types of rewards?
2. Do employees expect a bonus?
3. Who is eligible for a bonus?
4. What criteria needs to be met for an employee to be awarded a bonus?
6. May your organisation change the bonus policy without any notification to the employees?
7. If an employee resigns, are they entitled to any bonuses that they have earned?
8. Does the organisation promote internally? If yes, what is the procedure?
9. What criteria needs to be met for an employee to qualify for a promotion?

Appendix B - Interview Guide

1. After a day's work, do you generally feel more satisfied/happy compared to exhausted/sad? Why?
2. In your opinion, what do you see as benefits of bonuses as an incentive?
3. In your opinion, what do you see as a negative effect of bonuses as incentive?
4. How would you think about bonuses if they were offered more/less frequently or higher/lower bonuses?
5. How satisfied are you with the bonuses received as a reward?
6. Let's consider there are three types of promotion – actual promotions, a promised one or one you're aspiring to but haven't been promised (yet). What are the benefits of an actual, promised or aspiring promotion?
7. What are your perceived negatives of an actual promotion? Do these change if it is a promised or aspiring promotion?
8. What would you see as benefits and negatives of promotion opportunities or the lack thereof?
9. What are your expectations in terms of being promoted in your organisation?
10. What do you understand by the term well-being?
11. How does your colleagues' achievements affect your well-being?
12. What do you understand by the term empowerment? How does empowerment affect your well-being?
13. Do you think that a reward-seeking behaviour influences your well-being and if yes, How?

14. Do you perceive balance or imbalance between benefits and negative effects of bonuses and promotions? How does this influence your well-being?

15. In order of priority, which comes first:

- i. Health – free from illness or sickness
- ii. Money
- iii. Personal Job Satisfaction
- iv. Recognition
- v. Status
- vi. Well-being – being comfortable / happy
- vii. Work-Life Balance

Appendix C - Letter of Invitation

Ms. Tania Camilleri
5, Marlborough House
Triq Raddet ir-Roti
Xemxija. SPB 4111

Date

Name of Employee

Job Role of Employee

Creating a Sustainable Balance: Weighing up the Perceived Benefits and Negative Effects of Bonus and Promotion-Based Rewards on Employees' Well-being. A study in Malta's financial sector

DATA PROTECTION/INFORMED CONSENT FORM

Dear,

Thank you very much for agreeing to take part in this research on the impact of bonuses and promotions on employees' well-being. I greatly appreciate you giving up your time in order to help me. I am undertaking this project as a part of a Doctorate degree which I am studying with the University of Leicester. You have been approached to be involved in this research because the researcher is interested in gaining insight on your thoughts and opinions on the benefits and drawbacks of bonuses and incentives on your well-being.

You can withdraw from the study at any time if you feel that is necessary. If you are happy to take part in the research, however, I will ask you to sign a consent form giving your agreement. You can still withdraw from the research after signing the form.

The interview will last for approximately half an hour. I will ask you a series of questions and will give you the opportunity to ask me any questions you may have. I would like to reassure you that the information which you provide in the course of the interview will be treated in the strictest of confidence. All data collected will be treated in accordance with ethical codes set out in the British

Sociological Guidelines. In addition, your answers will be unattributed to either yourself or to any organisation which you work for or have worked for.

The results of the data gathered will be used for academic publications including academic journals, scholarly articles and my Doctorate thesis. Your own data will be completely anonymous and you will not be identifiable. Data will be aggregated so that no individual data are presented.

Once again, thank you very much for your participation. If you have any questions at any stage of the project please do not hesitate to contact me.

Yours sincerely,

Tania Camilleri

Appendix D - Informed Consent Form

INFORMED CONSENT FORM

Creating a Sustainable Balance: Weighing up the Perceived Benefits and Negative Effects of Bonus and Promotion-Based Rewards on Employees' Well-being. A study in Malta's financial sector

Kindly check each item separately and sign at the end of the form

The research has been clearly explained to me ____

I have read and understood the participant informed consent letter ____

I understand that by signing the consent form I am agreeing to participate in this research ____

I agree to take part in an interview as part of the above named research ____

I agree that the interview can be audio taped by voice/tape recorder ____

I understand that I can withdraw from the research at any time ____

I understand that any information I provide during the interview is confidential ____

I agree for verbatim anonymous quotations to be used ____

I understand that the results will be published in academic outlets including academic journals and scholarly articles other than the thesis ____

Name of participant

Signature:

Appendix E – Extracts from Diary Notes

Name: <u>Confidential</u>	Institution: A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/>
Grade: <u>Supervisor</u>	Gender: Male <input type="checkbox"/> Female <input checked="" type="checkbox"/>
Employment Years: <u>9</u>	Age: <u>40</u>
Date of Interview: <u>14 July 2017</u>	Length of Interview: <u>42 minutes</u>

Question: How satisfied are you with the bonuses received as a reward?

Answer:

...in our organisation, as I see it, whether you work or not is irrelevant as you will still earn a bonus, the amount may vary but I believe that who does not work should not be entitled to it, but it all boils down to preferences. It's unfair that I give my utmost and someone else is comfortable in his/her cushy job, doing nothing, sometimes not even knowing what his/her tasks are, and then he/she receives a bonus.

Observations:

The words used were congruent with her intonation as she utilised a very high pitch to make an emphasis on the "it's unfair" portraying her strong belief of fair distribution in comparison to how bonuses are eventually allocated within her institution. Her disappointment and lack of expectations that this situation will eventually change were evident as she paused for a heavy sigh following the sentence ending "it all boils down to preferences".

Name: <u>Confidential</u>	Institution: A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/>
Grade: <u>Clerk</u>	Gender: Male <input type="checkbox"/> Female <input checked="" type="checkbox"/>
Employment Years: <u>16</u>	Age: <u>39</u>
Date of Interview: <u>12 July 2017</u>	Length of Interview: <u>51 minutes</u>

Question: How does empowerment affect your well-being?

Answer:

If you believe in your own capabilities, you feel insulted on both fronts as you say that the organisation in general is viewing you as someone who can be placed there, gets the job done and that is what's important.

Observations:

By shrugging her shoulders, she communicated the lack of control she has over being granted a promotion even though she has been empowered with more responsibilities. The fact that she used the words "feel insulted" clearly shows that this situation is negatively affecting her well-being

Appendix F – Table of Codes

Expectancy Theory and Bonuses		
<u>Expectancy</u>	<u>Instrumentality</u>	<u>Valence</u>
Target Setting Target Driven	Target Measurement Target Achievement Performance-Outcome Balance	Personal Accomplishment Outcome Worth Time Dependent Entitlement

Self-Determination Theory and Bonuses		
<u>Competence</u>	<u>Autonomy</u>	<u>Relatedness</u>
Pushing Boundaries Social Comparison	Lack of Control Risk-taking	Recognition

Expectancy Theory and Promotions		
<u>Expectancy</u>	<u>Instrumentality</u>	<u>Valence</u>
Career Path	Performance-Outcome Balance	Personal Accomplishment Fairness Future Prospects Accepted Repercussions Time Dependent

Self-Determination Theory		
<u>Competence</u>	<u>Autonomy</u>	<u>Relatedness</u>
Self-Development Incongruence Social Comparison	Lack of Control Ability to Search Elsewhere Ability to Decline	Recognition

Appendix G – Table of Themes

Table 45: Reward-Seeking Behaviour from Bonuses and Well-being Themes

<u>Highly Motivated</u>	<u>Apathetic</u>	<u>Work-Life Balanced</u>	<u>Work-Life Imbalance</u>
apply more effort provides a boost very motivating work harder	demotivating no significance not driven not important not interested	balance	wrong priorities

Table 46: Reward-Seeking Behaviour from Promotions and Well-being Themes

<u>Highly Motivated</u>	<u>Apathetic</u>	<u>Work-Life Balanced</u>	<u>Work-Life Imbalanced</u>
apply more effort contributing 110% enticed to work harder give it a lot of importance more energised motivated to keep working motivated to work harder	apathy demoralising yourself demotivated devastating effect I gave up lose the motivation motivation ceases to exist	balance work within certain parameters won't sacrifice happiness	abandonment of your wife and kids after hours endless hours at work imbalance less time with family work much longer hours

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