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TOTAL REWARDS MODEL IN ROMANIAN COMPANIES

Methodological article

Keywords
WorldatWork Total Rewards Model
Matching in Accounting&Consulting Companies
Panel data collection
Romania

JEL Classification
J31, J42

Abstract

Total Rewards Management is a subject of major importance for companies, because, by using models for this, firms can achieve their objectives of high performance. In order to analyse a validated total rewards model in Romanian Accounting and Consulting Companies, it is used The WorldatWork Total Rewards Model, which depicts what contributes to applicant's attraction and employee's motivation and retention. Thus, the methodology of the previous survey is adjusted to the local context. The conclusions for the methodological aspects illustrate that the present research involves three strategic steps in order to achieve the objectives presented: the analysis of organizational environment of the companies from the sample,checking if the Total Rewards Model proposed in the previous research is applicable for the same romanian companies from the previous survey, the analysis of the differences between results, and, if necessary, the adaptation of the model for Romania.

Introduction

The purpose of this paper is to illustrate the methodological adjustments of the previous research- The relative WorldatWork Total Rewards Elements on Influence of Attraction, Motivation and Retention (2010) for the same research in Romania.

Based on two objectives and four hypotheses, the previous research illustrates the applicability of the WorldatWork Total Rewards Model on the following accounting companies from U.S.A. : KPMG, PwC, Deloitte and Ernst&Young. The methodology of the study undertaken in Romania is based on four objectives and five hypotheses and covers the same companies.

Section Description of the model offers some general information about Total Rewards Model WorldatWork and also some insight on the variables of the model. The methodology for Romania to verify the applicability of this model is presented in the sections Methodological aspects andPanel data collection. The results of the previous research are described in Results of previous study. Possible methodological problems for differences between studies and Conclusions and further research are presented in the final section of the paper.

Description of the model

WorldatWork proposed the Total Rewards Model in order to detect what contributes to applicant's attraction and employee's motivation and retention. The model takes into consideration five elements of total rewards as Figure 1 illustrates. These elements involve practices, programs and dimensions that collectively define an organization's strategy to attract, motivate and retain employees (Boswell et. al., 2011).

The five elements of rewards are (Boswell et. al., 2011):

- Benefits;
- Compensation;
- Development and career opportunities;
- Performance and recognition;
- Work-life.

These elements are taken as having direct connection to the ability to attract, motivate and retain applicants/employees and/ or their behaviors (Boswell et. al., 2011).

Arguments for using this model

One reason for using this model is that before putting emphasis on research variables the model is taking into considerationthree key aspects: organizational culture, business strategy and human resource strategy of a company.

Also, the model follows two aspects: on the one hand, the vision of employees/ applicants about the total rewards, and on the other hand the vision of the business to bring performance and results.

Moreover, all elements from the model behave as a unit and these continuously adjust to the internal and external environment of the companies, fact that creates the basic argument for checking the applicability of the model in Romania.

Methodological aspects

The current romanian research problem answers to the following question: Can The Total Rewards Model proposed by WorldatWork (2010) for KPMG, PwC, Deloitte and Ernst & Young be implemented for the same companies in Romania?

Assuming that we can answer affirmatively to the previous question, the research purpose can be illustrated: verifying the applicability and if applicable – the adaptation of Total Rewards Model proposed by WorldatWork (2010) for KPMG, PwC, Deloitte and Ernst & Young Romania, that will bring an increase of performance for them.

The research objectives are:

1. Determine the relative importance of each of the five WorldatWork rewards elements (Compensation, Benefits, Work- life, Performance and recognition, Development and career opportunities) for each behavioral outcome of interest: attraction, motivation and retention (Boswell et. al., 2011).

2. Identify moderators or boundary conditions (Materialism, Importance of family, Extraversion, Academic Achievement) for each reward-outcome relationship (Boswell et. al., 2011).

3. Compare the results with those obtained from the previous research results.

4. Adapt the Total Rewards Model proposed by WorldatWork, 2010 to the local area.

The research hypotheses are:

Attracting the workforce and the 5 dimensions of the model(Boswell et. al., 2011)**:**
H1: All five elements will be important for attraction.

Motivating the workforce and the 5 dimensions of the model(Boswell et. al., 2011)**:**
H2: Performance and recognition and development and career opportunities will be more important for motivation than for compensation and benefits.

Retention of the workforce and the 5 dimensions of the model(Boswell et. al., 2011)**:**
H3: Performance and recognition, development and career opportunities, and work- life policies will be more important for retention than for compensation and benefits.

Attracting, motivating and the retention of the workforce(Boswell et. al., 2011)**:**
H4: Compensation becomes less important during the recruitment process, and the other rewards elements will become more important.

The results of previous research and the results of current research:
H5: There will be significant differences of the results from H1, H2, H3 and H4 between the companies from the United States of America and the companies from Romania.

The sample is analogous to WorldatWork Research (2010), as Figure 2 illustrates, and include:

- 200 students in the second semester of the last year, undergraduate (specialization followed at this level does not matter) and intend to follow a Master in Accounting or Management;
- 200 students in internship at one of the four companies involved in the research;
- 200 students already employed (< 1 year) in the companies involved in the research.

There is a panel of 200 students analyzed at different moments in time, in order to see the evolution in time of several aspects:

- Perception of rewards in the last year of study, undergraduate;
- Expectations in total rewards after 1 year of master;
- Expectations in total rewards during a one month internship at one of the four companies;
- Satisfaction post-employment in total rewards.

Dependent variables (Y) of the research are (Boswell et. al., 2011):

- Workforce attraction;
- Workforce motivation;
- Workforce retention.

Independent variables (X_1, X_2, X_3, X_4, X_5) of the research are (Boswell et. al., 2011):

- Compensation;
- Benefits;
- Work- life;
- Performance and recognition;
- Development and career opportunities.

While workforce attraction focuses on the students that are in internships (G 17'), workforce motivation and retention focuses on students already employed at one of the four companies involved in the research (G 18') (Boswell et. al., 2011).

Panel data collection

Analogous to the previous research, the same questionnaires will be administered to the three groups of students at different times. The three groups will be named as following:

1. 200 students in the second semester of the last year, undergraduate and intend to follow a Master in Accounting or Management = Group 15'(G 15');
2. 200 students in internship at one of the four companies involved in the research = Group 17' (G 17');
3. 200 students already employed (< 1 year) at one of the four companies involved in the research= Group 18' (G 18').

The schedule for collecting panel data is illustrated in Tabel 1.

Moderating variables

If a mediating variable leads to amechanismthrough which the independent variableinfluences the dependent variable, a moderating variable shares an independent variable into subgroups that establish its areas of maximal effectiveness in regard to a given dependent variable (Baron & Kenny, 1986).

Even if the main objective of the research is to determine the relative influence of each independent variable in attracting, motivating and retaining human resources, it is also very important to test the influence of moderating variables on the total rewards model proposed in previous research (objective number two).

The study focuses on the moderating variables because these have different levels of applicability for the three groups of students- Group 15', Group 17' and Group 18 '. For example, the

moderating variable- "Importance of family" will have different values for students from the undergratuate final year compared to students who finished the Master program and are already employed.

In what concerns these variables, the present research starts with the list of the moderating variables from the previous study and it can be completed with other variables, which, of course, can come from cultural specificity. Briefly, these are the reasons for this option:

- The Total Rewards Model proposed by WorldatWork has identified the moderating variables in previous survey; the purpose of present research is to move forward, to compare the results that will be obtained in Romania and to see if on local area the model can be adapted;
- Moderating variables for companies accounting/ consulting companies have a certain specificity;
- It would be inappropriate to take moderating variables from other statistical models- models that in our research will not be analyzed;
- The list of moderating variables is open to be developed after the companies involved in the research are selected.

Given these above, there are two types of moderating variables in this research:

- Moderating variables representing individual characteristics or boundary conditions (Boswell et. al., 2011);
- Other moderating variables that can occur from intercultural aspects.

Thus, the moderating variables are the same with the ones considered in previous study, and illustrates their influence on the Model of Total Rewards in Romania (Boswell et. al., 2011):

➢ Importance of family;
➢ Materialism;
➢ Academic Achievement;

➢ Extraversion.

Other possible new moderating variables included in questionnaires are:

➢ Status;
➢ Work experience;
➢ Age.

Results of previous study

The results of the previous surveypoint out the following aspects (Boswell et. al., 2011):

H1: it is confirmed. In order to attract workforce, "Development and career opportunities"is the most important dimension.

H2: it is partially confirmed. To motivate labor, "Performance and recognition" and "Development and career opportunities" are more important than the dimension formulated in the hypothesis.

H3 : it is partially confirmed . For employment retention, "Development and career opportunities"it is more important than the dimension formulated in the hypothesis.

H4 : it is confirmed.

The factors influencing the attraction, motivation and retention of the labor are not necessarily the same (Boswell et. al., 2011). Also, that individual characteristics such as "Materialism", "Importance of family", etc. do not influence any type of relationship reward – outcome (Boswell et. al., 2011). This means that the elements of the model WorldatWork are essential to the causal relationship between rewards and the expected results in terms of performance (Boswell et. al., 2011).

Possible methodological problems for differences between studies

As a main observation, in Romania there is no PPA (PPA= Planning, Preparation and Assessment program through which subjects are analyzed in the previous research).

Therefore, it is proposed to analyze the students that are targeted to be recruited by the four companies after the final year of study (undergraduate level) and who intends to follow a Master program in Accounting or Management at the Faculty of Economics and Business Administration, UAIC, Ia i. A master program lasts 2 years.

Also, it is possible for companies to recruit from other universities, and this is caused by their geographical location.

Conclusions and further research

According to the methodological aspects, the proposed research involves the next strategic steps in order to achieve the objectives presented:

STEP 1 - Analysing of the organizational environment of the companies from the previous study (rewards applied, their analysis according to performance and employee's satisfaction, other possible moderating variables, etc.);

STEP 2 - Checking if Total Rewards Model proposed in the previous researchis applicable for the same companies from the previous study;

STEP 3 –The results from (STEP 1 + STEP 2) that illustrate major changes from the previous research will be adapted to the Total Rewards Model.

Further research might include in the sample romanian accounting and consulting companies based on criteria that allows comparability with the companies from the previous study, like: turnover, number of employees, profit.

References

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http://www.worldatwork.org/waw/adimLink?id=37 008.

Short biographical sketch:

Currently I am a student in the doctoral program (first year) at the Doctoral School of Economics and Business Administration (SDEAA)- Management, Alexandru Ioan- Cuza University, Ia i, Romania, under the guidance of the Director of the Doctoral School, Prof. PhD. Adriana Prodan. Both of the researches – undergraduate thesis and dissertation thesis were in Human Resource Management, *and nowmy research area isTotal Rewards Models in Accounting and Consulting Romanian Companies*.

I am also a student in the first year at Faculty of Law, Alexandru Ioan- Cuza University, Ia i, Romania, and Associate PhD at Faculty of Economics and Business Administration, Alexandru Ioan Cuza University, Ia i, Romania- teaching discipline "Management" for the 2nd year, undergraduate.

Table 1
The schedule for collecting panel data

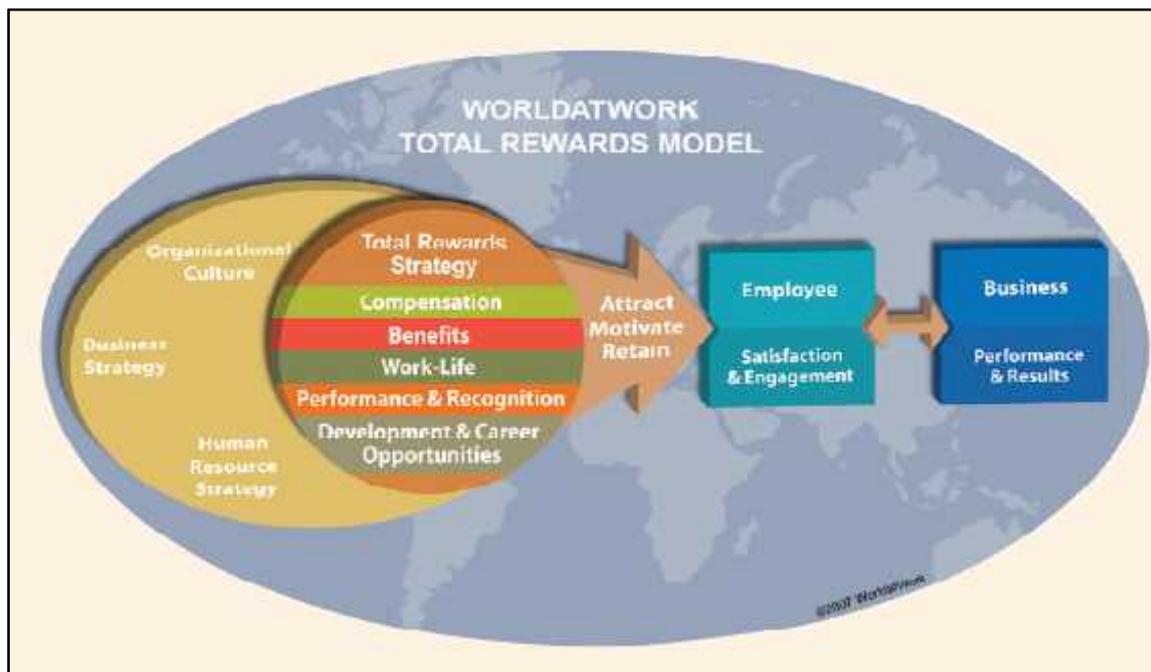| Group	Data collection period	Stages of observation
Group 15'	June 2014	Pre- recruitment (undergraduate)
Group 15'	June 2015	Post- recruitment (Master program in Accounting or Management)
Group 17'	July 2016	Pre- employment (one month internship after students finished the Master program)
Group 18'	January 2017	Post- employment (employment between June 2016 and January 2017)

*Figure 1.*WorldatWork Total Rewards Model
Source: http://www.worldatwork.org/waw/adimLink?id=37008, p. 5.

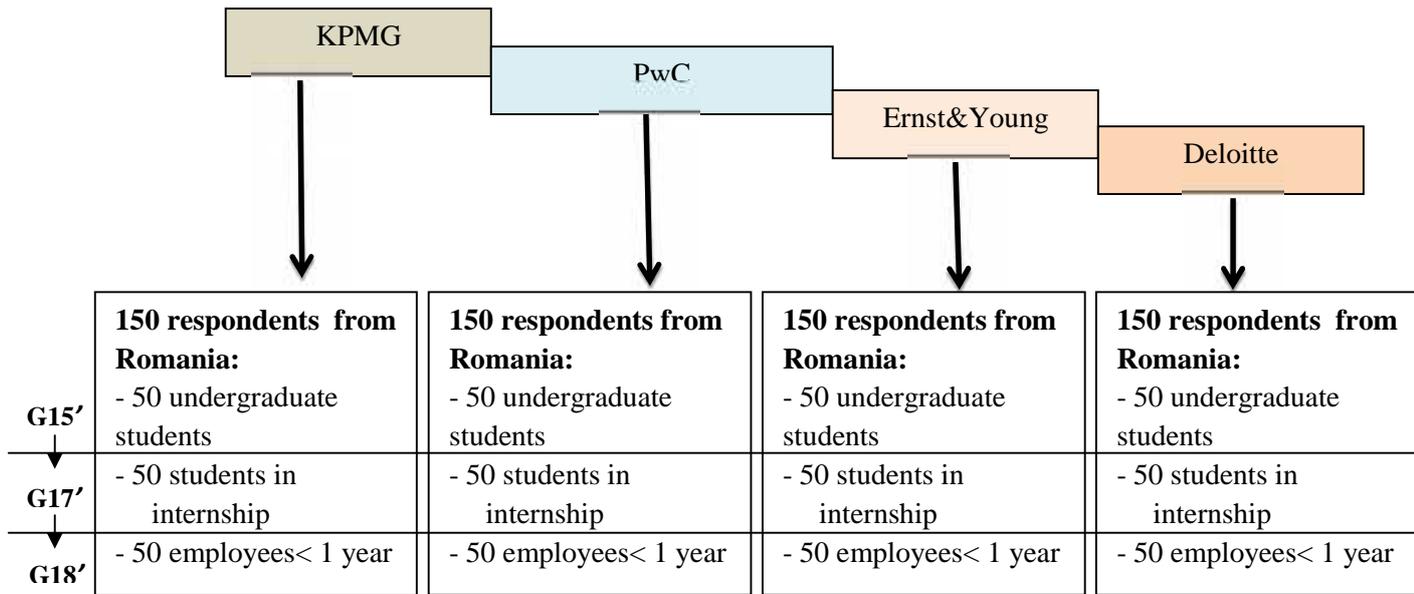| KPMG	PwC	Ernst&Young	Deloitte
150 respondents from Romania: - 50 undergraduate students	**150 respondents from Romania:** - 50 undergraduate students	**150 respondents from Romania:** - 50 undergraduate students	**150 respondents from Romania:** - 50 undergraduate students
- 50 students in internship	- 50 students in internship	- 50 students in internship	- 50 students in internship
- 50 employees< 1 year	- 50 employees< 1 year	- 50 employees< 1 year	- 50 employees< 1 year

G15'

G17'

G18'

*Figure 2.*Sampling scheme