

High technology workers and total rewards

John W. Medcof*, Steven Rumpel

The Michael G. DeGroote School of Business, McMaster University, Hamilton, ON, Canada L8S 4M4

Available online 30 April 2007

Abstract

This literature review suggests that the Total Rewards approach has some promise in the management of high technology workers primarily because of its broad definition of rewards. It also suggests that the rewards preference profile of high technology workers is different from that of other occupational categories and rewards programs for high technology workers should therefore be different. Research directions to verify these findings are suggested. Researchers also need to address the current lack of a sound, broadly accepted theoretical basis for Total Rewards.

© 2007 Elsevier Inc. All rights reserved.

Keywords: Research; R&D; Total reward; Compensation

1. High technology workers and Total Rewards

Firms with the edge in attracting, retaining, motivating, and rewarding top technical people have the edge in industries in which science and technology are at the core of value added activity (Boutellier, Gassmann, & von Zedtwitz, 2000; Floricel & Miller, 2003; Medcof, 2001; Niosi, 1999; Serapio & Hayashi, 2004). Such firms grapple daily with global competition and rapid technological change so the cornerstone of competitive success is people who can innovate.

Human resource management practice is rising to these challenges in high technology and other sectors and continues to have a demonstrated effect upon firm performance (e.g. Becker, Huselid, Pickus, & Spratt, 1997; Bowen & Ostroff, 2004; Chang & Chen, 2002; Diaz & Gomez-Mejia, 1997; Huselid, Jackson, & Schuler, 1997). That effectiveness has been engendered by constant innovation in human resource management itself, including, but not limited to, keeping abreast with ebusiness (Huselid, 2004) and corporate governance issues (Beatty, Ewing, & Tharp, 2003), developing supra-organizational systems for best practice (Medcof & Needham, 1998) and evolving its various subfields (Ruona & Gibson, 2004). Reward systems continue to be an important facet of human resource management and, perhaps, the cornerstone of human resource management strategy (e.g., Beer et al., 2004; Boyd & Salamin, 2001; Montemayor, 1996). Reward systems should be an important part of human resource strategy for high technology workers.

High technology workers present unique challenges when it comes to rewards, partly because of their own unique nature and partly because of the unique context in which they work. For example, Diaz and Gomez-Mejia (1997) found the most frequently cited distinguishing characteristics of R&D workers to be their strong achievement orientation, drive to succeed, willingness to take risks, tolerance for ambiguity, relatively weak allegiance to the employer and their high identification with the profession. Harpaz and Meshoulam's (2004) literature review found high technology

* Corresponding author. Tel.: +1 905 525 9140x26189.

E-mail address: Medcof@mcmaster.ca (J.W. Medcof).

contexts to be less unionized, more results orientated, more oriented towards merit in promotion decisions, more informal, more dynamic and uncertain, more flexible, flat and differentiated in organizational structure, and inclusive of more complex and changing jobs. There is a continuing need for empirical research, conceptual development and innovative practice in the rewarding of this distinct category of workers in their distinct set of organizational circumstances. This paper will focus primarily upon the workers themselves, their reward preferences, and the rewards arrangements that work best for them. However, some literature on rewards in high technology firms is highly relevant to that focus and that literature will be called upon at certain points in the review.

Total Rewards is an approach which has received considerable attention in the human resources management practice literature in recent years (Fischer, Gross, & Friedman, 2003; Gross & Friedman, 2004; Kantor & Kao, 2004; Lyons & Ben-Ora, 2002; O'Malley & Dolmat-Connell, 2003; O'Neal, 1998; Petruniak & Saulnier, 2003; Pfau & Kay, 2002; Platt, 2000; Poster & Scannella, 2001; Thanasse, 2003; Watson, 2003; Zingheim & Schuster, 2001). Total Rewards is a new departure because it conceives of rewards as consisting of everything that employees value in the employment relationship. It includes the obvious, traditional financial rewards such as salary, incentive pay, stock options and benefits. But, in addition, it also includes non-financial rewards which are often not thought of as rewards, such as training opportunities, challenging work, and work arrangements that support effective work/life integration. Total Rewards has some promise for the management of high technology workers as shown by its application at IBM (Platt, 2000), AstraZeneca (AstraZeneca, 2004), and Ethicon (Thanasse, 2003), as well as in less technology-laden firms such as 3M (3M, 2004) and Marriott (Fischer et al., 2003). However, to date there has been no systematic consideration of Total Rewards in the high technology management context.

This paper will use a Total Rewards perspective to review the rewards literature specific to high technology workers. It will demonstrate the value of Total Rewards as an organizing framework, lay some groundwork for managers involved with Total Rewards in high technology settings, and indicate some fresh directions for future research. The first part of the paper describes Total Rewards. Second is a review of the literature on rewards for high technology workers. Third, conclusions based primarily upon the empirical research will be drawn and future research directions suggested. The need for a stronger conceptual foundation for Total Rewards will also be noted.

2. Total Rewards

Total Rewards embraces everything that employees value in the work relationship. It attempts to encompass the entire “employee value proposition” including, but not limited to, pay, benefits, interesting work, training opportunities, career development, social interaction and effective work/life integration (O'Malley & Dolmat-Connell, 2003; Kantor & Kao, 2004; O'Neal, 1998; Petruniak & Saulnier, 2003; Platt, 2000; Thanasse, 2003; Watson, 2003). Some authors (e.g., Kantor & Kao, 2004; O'Neal, 1998) divide the elements of the “employee value proposition” into four categories; Pay, Benefits, Learning and Development, and Work Environment. The primary elements in each of these categories are shown in Table 1. These four categories provide a good working model but they should not be

Table 1
Four categories of Total Rewards

Pay	Benefits
1. Base salary	1. Health care
2. Variable pay	2. Retirement
3. Stock	3. Savings
4. Recognition programs	4. Time off
Learning and Development	Work Environment
1. Career development	1. Organization climate
2. Learning experiences	2. Leadership
3. Performance management	3. Performance support
4. Training	4. Work/life balance
5. Coaching and mentoring.	5. Challenge of the work
	6. Reputation of the organization
	7. Co-worker relationships

After O'Neal (1998).

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات