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Employee motivation and engagement through total reward

A narrative literature review of international perspectives

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TIIVISTELMÄ:

Työelämän kansainvälistyminen ja uusien sukupolvien työelämää koskevat erilaiset asenteet kannustavat organisaatioita uudistamaan palkitsemisjärjestelmänsä motivoidakseen ja sitouttaakseen työntekijöitään. Olemassa oleva tutkimus on pääasiassa tarkastellut palkitsemiskäytäntöjä, työmotivaatiota ja työntekijöiden sitoutumista erillisinä kokonaisuuksina sekä kulttuuristen ja alueellisten tekijöiden vaikutusta näihin yksittäisiin ilmiöihin. Tutkielman tarkoituksena on selvittää, missä laajuudessa näiden osa-alueiden välisiä yhteyksiä on tutkittu.

Tämä tutkielma tarkastelee kahta kysymystä: mitkä kokonaispalkitsemisen osa-alueet motivoivat ja sitouttavat työntekijöitä sekä vaikuttavatko maantieteelliset tai kulttuuriset erot näihin tekijöihin. Tutkimuksen tavoitteena on lisätä ymmärrystä siitä, miten organisaatiot voivat suunnitella työntekijöiden motivaatiota ja sitoutumista vahvistavia kokonaispalkitsemisrakenteita. Tutkimus on toteutettu narratiivisena, edustavana kirjallisuuskatsauksena, jonka lähdeaineistoa ei ole rajattu ainoastaan vertaisarvioituihin tutkimuksiin. Valittu metodologinen lähestymistapa tukee tutkimuksen tavoitetta yhdistää olemassa olevien tutkimusten tulokset eri palkitsemismenetelmien motivoivista ja sitouttavista elementeistä sekä muodostaa kattava näkemys aiheeseen liittyvästä tutkimuksesta ja kirjallisuudesta.

Tutkimustulokset osoittavat, että kokonaispalkitsemisen eri osa-alueet motivoivat ja sitouttavat työntekijöitä monin eri tavoin. Vaikka aineellisten palkitsemismuotojen on havaittu vahvistavan työntekijöiden ulkoista motivaatiota, niiden vaikutukset ovat suhteellisen lyhytkestoisia. Sen sijaan aineettomat palkitsemisen muodot edistävät ensisijaisesti sisäistä motivaatiota ja ovat vaikutuksiltaan pitkäkestoisempia. Tutkimustulosten mukaan sekä aineelliset että aineettomat palkitsemismenetelmät vahvistavat työntekijöiden sitoutumista. Siten kokonaispalkitsemista voidaan pitää tehokkaana keinona tukea työntekijöiden motivaatiota ja sitoutumista. Tutkimustulokset paljastavat, että olemassa oleva tutkimus keskittyy pääasiassa aineellisten ja aineettomien palkitsemismuotojen motivoivien ja sitouttavien vaikutusten analysointiin, minkä seurauksena muut palkitsemismenetelmät ja -kategoriat jäävät vähäiselle huomiolle. Lisäksi tutkimus toteaa, että olemassa oleva tutkimus ei ole kattavasti tarkastellut, vaikuttavatko kulttuuriset tai alueelliset tekijät siihen, miten eri palkitsemisen muodot motivoivat tai sitouttavat työntekijöitä. Tutkielma esittelee jatkotutkimusehdotuksia tämän tunnistetun tutkimusaukon täyttämiseksi.

Tutkielma tutkimustuloksineen vahvistaa näkemystä siitä, että työntekijöiden motivaation ja sitoutumisen merkitys on edelleen kasvussa. Lisäksi kokonaispalkitsemisen eri osa-alueiden vaikutukset motivaation ja sitoutumisen edistämiseen edellyttävät lisätutkimusta, erityisesti mahdollisten alueellisten ja kulttuuristen erojen tunnistamiseksi ja ymmärtämiseksi.

AVAINSANAT: palkitseminen, kokonaispalkitseminen, työmotivaatio, motivointi, työntekijän sitoutuminen, sitouttaminen

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ABSTRACT:

The internationalisation of working life and the differing attitudes of new generations towards work are encouraging organisations to renew their reward systems in order to motivate and engage their employees. Existing research has predominantly examined reward practices, work motivation, and employee engagement as separate phenomena, as well as the influence of cultural and regional factors on these individual dimensions. The purpose of this thesis is to determine the extent to which the interconnections between these areas have been studied.

This thesis addresses two questions: which elements of total reward motivate and engage employees, and whether geographical or cultural differences influence these factors. The aim of the study is to enhance understanding of how organisations can design total reward structures that strengthen employee motivation and engagement. The study has been conducted as a narrative, representative literature review, and its source material has not been limited solely to peer-reviewed research. The chosen methodological approach supports the aim of the study by enabling the integration of findings from existing research on the motivating and engaging elements of different reward practices and by forming a comprehensive overview of the research and literature related to the topic.

The findings indicate that different elements of total reward motivate and engage employees in various ways. While tangible forms of reward have been found to enhance employees' extrinsic motivation, their effects tend to be relatively short-lived. In contrast, intangible forms of reward primarily foster intrinsic motivation and have more enduring effects. According to the findings, both tangible and intangible reward practices strengthen employee engagement. Total reward can therefore be considered an effective means of supporting employee motivation and engagement. The results also reveal that existing research focuses mainly on analysing the motivating and engaging effects of tangible and intangible reward practices, leaving other reward methods and categories largely unexamined. In addition, the study notes that existing research has not comprehensively explored whether cultural or regional factors influence how different forms of reward motivate or engage employees. The thesis presents suggestions for further research to address this identified research gap.

The thesis with its findings reinforces the view that the importance of employee motivation and engagement continues to grow. Furthermore, the effects of the different elements of total reward on promoting motivation and engagement require further research, particularly to identify and understand potential regional and cultural differences.

KEYWORDS: reward, total reward, work motivation, motivation, employee engagement, engagement

Contents

1 Introduction

The following chapter outlines the key elements of this master's thesis, which has been conducted as a narrative literature review. It begins by presenting the background and the motivation of the study, followed by a formulation of the research aim and question. The chapter proceeds to define the delimitations of the study, review existing research on the topic, and identify the research gap. Finally, the chapter concludes by describing the research process through an overview of the thesis structure.

1.1 Research background and motivation

Reward is a complex social and economic phenomenon and one of the key areas of human resource management. It is not an intrinsic value, but a management tool to attract the right people to the organisation, support the organisation's success and to encourage employees to act in alignment with the organisation's strategy and values with sufficient quality (Rötkin, 2015, p. 120). As Liinalaakso et al. (2016, p. 55) note, reward always influences the personnel, regardless of whether it is managed actively or not. Over the past few decades, organisations have increasingly recognised the diverse ways in which they can influence their employees through different reward methods, and consequently their interest in total reward systems has grown.

Motivation is an important success factor for every organisation. Thus, organisations strive to employ motivated individuals who also maintain their motivation, and either consciously or unconsciously create the conditions for the development of employee motivation (Niermeyer & Seyffert, 2004, p. 8, 85). If an organisation wants to retain talent and maintain its long-term competitiveness, it must take into account that different people are motivated by different things (Luutonen & Murtomaa, 2025, p. 253–254). It is emphasised by Kauhanen and Viitala (2011, p. 203) that for an organisation to be able to select appropriate reward methods, it must understand what motivates its employees and what individuals expect from both work and its associated reward.

Over the past century, work motivation has been an important area of interest in the field of organisational behaviour (Kauhanen, 2012a, p. 91). As emphasised by Truss et al. (2012, p. 24), the key challenge for organisations is to recruit and retain the right people. In addition to motivation, employee engagement also plays a role in the success of an organisation. According to Kesti (2014, p. 93), the major challenges in developing organisational culture are related to employee engagement. Thus, the factors affecting personnel's motivation and engagement have become a key question: what makes an individual work actively and with commitment. Since it is important for organisations to ensure that their reward practices work in the desired way, the best possible solutions have been sought for the organisations' total reward systems. (Viitala, 2021, chapter 3.5)

Today's business life is affected by various phenomena that challenge reward to change and regenerate. Firstly, reward is even more challenging because the personnel of organisations are more diverse than before (Kauhanen and Viitala, 2011, p. 203). For example, diversity exists between different cultures, geographical areas, religious, socio-economic levels, generations and genders (Frost & Kalman, 2016, p. 23; Iles & Jiang, 2013, p. 327–328). On the other hand, individuality also grows within generations, and thus there are differences in the expectations towards work also within age groups (Kauhanen, 2012a, p. 89). Säntti (2011, p. 17) points out that organisations have faced a dilemma: do they seek uniformity and standardisation, or do they seek to meet the demands of a complex and heterogeneous workforce.

As employee diversity is a broad concept that encompasses more than just the nationality or cultural background, in diversity management, it is essential to understand what employees expect from their work (Kauhanen, 2015, p. 88, 97). The diversity challenges employers, for example, in terms of how to take into account employees' different perceptions of fairness and equality (Kauhanen, 2012a, p. 89). Withers (2012, p. 79) asserts that employees should be seen as resources worth investing in, and their distinctive interests should be considered.

The increase in the diversity of the personnel is particularly affected by the globalisation of the work life: a growing number of employees work abroad or in collaboration with individuals based in other regions or countries (Vartiainen, 2005, p. 268). Today, globalisation is a worldwide force for change (Castellano, 2014, p. 9; Sydänmaanlakka, 2014, p. 29). El Gassar and Collings (2017, p. 190) as well as Järlström (2011, p. 22) emphasise that global competition is a challenge for every organisation operating internationally. It has an impact on the labour market and work life everywhere (Bergman, 2005, p. 66) and as a result, the role of the human resource function has changed from operational to strategic (Cooper & Wood, 2012, p. 211; Järlström, 2011, p. 23). According to Sistonen (2011, p. 31–32), the importance of the global labour market is increasing, and international reward has an impact on the national wage markets, and thus, preparation for that development is an essential success factor in internationalising organisations.

Globalisation poses challenges to motivation: what is neutral in one culture may appear unconventional to someone outside the culture. The differences concern different aspects, such as attitudes towards the authorities, nature of time, and showing emotions. (Whiteley, 2009, p. 34) It is challenging to recruit and engage professionals with the desired skills and level of education in a country where these aspects vary considerably. At the same time, the necessary national competence may not exist (Smale & Suutari, 2011, p. 87). Goddard (2014, p. 157) notes that workplace globalisation continues to accelerate in the future, and according to Riski (2005, p. 42), Finland can only succeed in global competition with high level employee expertise and competence. To respond to the international competition for the best professionals with international competencies, Finnish organisations must be able to attract talented professionals to Finland despite the challenges posed by its environmental factors, such as physical location, language, and climate, as well as remuneration levels and taxation (Smale & Suutari, 2011, p. 87).

In addition to globalisation and the diversification of personnel, organisations are also challenged by the change in the attitudes of personnel towards working life. Generation Y, i.e. millennials, have different expectations towards work than previous generations

(Frost & Kalman, 2016, p. 71; Viitala & Rybatzki, 2011, p. 195). Further, relatively little is yet known about next generation's, i.e. generation Z's, values, working practices, and attitudes towards work (Vartiainen, 2015a, p. 224). As Leiviskä (2011, p. 127) observes, today, employees move between different organisations, countries, employment relationships and professions. Increasing amounts of people no longer aim to work in the same profession and for the same employer, but seek new experiences, freedom and the meaning of work (Baker, 2014, p. 186; Kultalahti, 2011, p. 77).

Devine and Syrett (2014, p. 111) emphasise that in the future, talented individuals appear far less loyal to their organisations and more committed to pursuing their personal goals. Instead of a secure job, a long career in the service of the single employer, loyalty, and commitment, employees prioritise freedom, work-life balance, high employability, receiving feedback, continuous learning, and independence (Baker, 2014, p. 28–29; Leiviskä, 2011, p. 126). Millennials demand more from both, organisations and reward (Kultalahti, 2011, p. 77; Sistonen, 2011, p. 28). According to Devine and Syrett (2014, p. 75, 78), the management of millennials will pose challenges in the future, and on the other hand, the share of millennials in the overall workforce will increase considerably.

The current phenomena pose challenges to reward. Organisations are looking for engaged employees (Purcell, 2012, p. 121), but in the future it will be challenging engage employees (Kultalahti, 2011, p. 77), let alone to motivate and engage different groups of employees (Vartiainen, 2015a, p. 26), which creates the need to investigate what motivates and engages employees and whether there are differences in these factors internationally. As observed by Sistonen (2011, p. 28, 31), traditionally, the challenge in designing reward systems lies in their emphasis on financial remuneration methods, often overlooking other reward methods and the potential of total reward structure to address organisation-specific, substantive needs. According to Kehusmaa (2010, p. 16), changes in values on a general level and diversification at the individual level require organisations to use a total reward system more flexibly and to diversify their reward to incorporate the reward methods that motivate and engage different individuals.

The effects of reward systems have been examined extensively, particularly in relation to their impact on employee performance (Armstrong et al., 2011, p. 109). However, Tsai (2017, p. 231, 236) highlights that international research on reward has primarily concentrated on compensation for expatriates and in studies exploring differences in reward practices across countries. Studies have also investigated how regional or cultural contexts shape employees' perceptions of work motivation or employee engagement. Employee engagement has been widely studied over the past few decades, yet existing research has focused primarily on how engagement is measured, its overlap with other phenomena, such as job satisfaction, as well as how it affects organisational performance (Shuck, 2020, p. 36). Research investigating whether regional or cultural factors, e.g. cultural characteristics or features of the local labour market, shape the extent to which different forms of reward motivate or engage employees has been largely absent.

Methodologically, peer-reviewed research in this area has extensively employed quantitative approaches, such as survey-based studies and meta-analyses. Smaller-scale studies have been conducted using qualitative methods, particularly interviews, to gain deeper insights into employees' subjective experiences of reward practices. These studies have often been limited to a specific organisation or, for example, an industry. While empirical findings have been published, literature reviews synthesising these themes appear to remain relatively scarce, and the underlying material of literature reviews are predominantly based on data collected through quantitative research methods. Accordingly, the need for a narrative and descriptive literature review has been identified.

1.2 The purpose of the study and research questions

The specification of the topic and the formulation of the research questions have been guided by consideration of the intended audience, in accordance with the principle that all research should be developed with its audience in mind (Efron & Ravid, 2019, p. 44, 55; O'Gorman & MacIntosh, 2015, p. 8). Nevertheless, the initial basis for determining the research questions in this study has been the researcher's personal interest in the topic, which has been refined through familiarisation with existing research in the field. In addition, when formulating the research question, the recommendations of Hempel (2020, p. 12, 24) as well as Machi and McEvoy (2022, p. 16–17) were considered, particularly the comparatively labour-intensive nature of the literature review as a method.

This study seeks to examine whether existing research has identified international differences in the motivating and engaging elements of reward methods. The decision to investigate this topic is grounded in the observation that current trends related to reward and work life in general present significant challenges for human resource management both in Finland and globally. These challenges arise not only from the phenomena described earlier but also from the increasing diversification of total reward structures. The research is driven by an interest in determining whether the factors that increase employee engagement and motivation are universal or context-specific, for instance, influenced by geographical location or cultural background. The relevance of the topic is highlighted by the multidimensional nature of these challenges and their widespread occurrence: all organisations, regardless of national or international scope, strive to motivate and engage their workforce. Moreover, reward constitutes a central component of organisational management and strategic planning. Accordingly, gaining insight into the underlying drivers of employee engagement contributes meaningfully to a broader understanding of reward management and practices. Additionally, the necessity of this research is emphasized by the apparent absence of a narrative literature review of this scope on the subject, as outlined previously.

The purpose of this literature review is to examine existing research concerning the elements of reward that influence employee motivation and engagement, and to determine whether international, regional or cultural differences in these factors have been identified. The study aims to enhance current understanding of the considerations that organisations operating in international contexts should take into account to ensure that their total reward systems effectively motivate and engage employees. Furthermore, the review seeks to identify potential gaps in the existing literature, as well as to propose new research questions and methodological approaches for further exploration of the topic. The aim of the study is to provide a comprehensive overview by synthesising findings from prior research and literature, and to fulfil the purpose of the review by addressing the research questions in a representative and descriptive manner.

The intended audience for this master's thesis includes students, and practitioners, especially in the fields of human resource and reward management, organisational psychology, and international business. The study may be of interest to those who seek to understand how different forms of reward influence employee motivation and engagement across cultural or regional contexts, aim to discover whether the topic has been previously examined and what insights have emerged from existing literature.

The formulation of precise research questions has been guided by principles relevant to literature review methodology. Accordingly, the formulation of the research questions has considered that the research question should be formulated with sufficient precision as suggested by Hempel (2020, p. 14). In developing the research question, also following Efron's and Ravid's (2019, p. 49–51) recommendations regarding literature review's research question have been observed: the research question should be neither too broad nor too narrow, it must be proportionate to the scope of the study and the available resources, while remaining broad enough to accommodate various research approaches and methods, as well as framed in a way that guides the literature search and is answerable through the review process.

To fulfil the purpose of this thesis, the two research questions addressed in this study are as follows:

1. What does existing research reveal about which elements of total reward motivate and/or engage employees within their employing organisation?
2. Have any international differences been identified in how elements of total reward influence employee motivation and engagement within the employing organisation, particularly in relation to geographical or cultural context?

1.3 Delimitations of the study

To ensure that the study addresses its research questions accurately, the scope of the review has been limited. As this review's purpose is to identify cross-cultural patterns rather than sector-specific reward practices, it does not differentiate between industries or sectors. Further, the study does not attempt to provide an exhaustive comparison of all countries or regions; instead, it synthesises findings from studies that explicitly address international or cultural variation.

This study does not address theories or topics concerning management processes, performance management, or the measurement of performance. Although total reward includes a wide range of reward components which can be targeted at different personnel groups within the organisation, the focus in this study is on the reward of all personnel; therefore, reward practices targeted specifically at executive or other managerial levels, for example, have been excluded. Furthermore, reward practices in non-traditional employment forms have been excluded from the scope of the study. Further, the study does not examine team-level or leadership-specific drivers of motivation or engagement unless they are directly linked to reward. Additionally, the study does not examine phenomena or concepts closely related to motivation and employee engagement, such as job satisfaction, organisational commitment, employee wellbeing, work engagement in the broader psychological sense, organisational citizenship behaviour, or psychological empowerment.

The scope of the study has also been restricted to a specific time frame. The data includes research and literature published within approximately ten (10) years preceding the search date, as the study seeks to examine recent phenomena and developments related to the subject under investigation. Consequently, the inclusion criteria required that all sources had to be published in 2015 or thereafter. As the definition of the study period should be based on the research question and objectives, rather than on practical considerations (Vilkka, 2023, p. 40), the temporal scope was deliberately determined during the formulation of the research questions, i.e. prior to the data collection process.

1.4 Structure of the study

The thesis begins with the introduction (Chapter 1) discussing the research background, motivation and purpose, as well as the delimitations of the study. The second chapter provides an overview of the key concepts and theoretical framework, focusing on reward methods, as well as employee motivation and engagement, in order to position the current research within a theoretical context. Subsequently, the research methodology and method are described (Chapter 3), including the research philosophy and design, methodological approach, as well as the literature review and data collection processes. Furthermore, the identification, screening and content analysis of the primary literature are presented. Finally, the key findings are introduced (Chapter 4), and the conclusions are provided (Chapter 5). At the end, a list of references and appendices is provided.

This study adopts the hourglass model, which highlights the comparative discussion of findings from the literature review in relation to the prior research. Within this structure, results are presented in a summarised form, followed by a discussion that explores practical implications and directions for future research. The model places particular emphasis on the introductory section, which centres on the development of the theoretical framework, and introduces the reader to the broader research field, including its key concepts and phenomena (Vilkka, 2023, p. 113–114). These characteristics have been emphasised in this study. According to Vilkka (2023, p. 113–114), the hourglass model is particularly well suited to narrative reviews, as it gives balanced attention to the theoretical background, methodology, results, and reflective discussion. For these reasons, the present study has adopted this structural approach. Further, the structure of the study has also been influenced by the purpose and characteristics of this research. The key concepts and theoretical background are discussed in considerable depth to support the chosen review type, adopted hourglass model for structure, as well as the research topic and questions. In addition to the key concepts and theoretical framework, the study places emphasis on the research findings, which are examined in relation to the theoretical framework in order to facilitate a comprehensive discussion in alignment with the hourglass model.

2 Key concepts and theoretical framework

Theoretical background of research aims to find out what has already been studied on the topic and how existing studies have been conducted (Ng & Coakes, 2014, p. 13). As this study is conducted as a literature review intended to clarify current knowledge on the topic based on existing research, this chapter serves three primary purposes: to define the key the concepts of the phenomenon under examination, to deepen understanding of the topic, and to provide a structured foundation for the study by positioning it within existing research. Accordingly, this chapter focuses on the theoretical dimensions and concepts of reward, motivation and engagement in a global context.

In line with the hourglass model adopted in this review, the theoretical and conceptual background is presented in a comprehensive manner. The chapter introduces the key concepts related to the topic and examines the relationships between them. The elements of total reward, i.e. the various reward methods, as well as the different components of motivation and engagement are described, as the research questions of this study address their interconnections, and an understanding of these constructs is therefore essential for conducting the research. Moreover, the relevant theories regarding reward, motivation and engagement are outlined.

2.1 Reward methods

Reward is an essential part of working life: the salary is compensation for the work undertaken (Kauhanen, 2015, p. 116). However, reward should not be seen only as a financial compensation that reinforces desired behaviour. It serves also as an instrument to attract and retain suitable personnel, motivate and engage existing employees, reward for performance and achieving goals, promote workplace well-being, communicate desired behaviours, enhance productivity, and encourage alignment with organisational strategy (Rötkin, 2015, p. 120; Ylikorkala et al., 2018, p. 13). Hiltunen (2015, chapter 12) states that the positive impact of reward is based on the individual's interpretation: how the reward is perceived and whether it is fair and understandable. Further, reward is an effective tool to express organisation's goals and values. From the individual's point of view, through reward, the organisation conveys signals about whether their work performance meets the organisation's expectations, what their position is within the work community, and what is valued in the organisation (Hakonen et al., 2014, p. 14–15).

According to the established view, reward refers to an exchange relationship: the employee provides their work input to the organisation and receives a salary or other benefits in return (Rantamäki et al., 2006, p. 15). In connection with it, a psychological contract is often discussed, referring to the perceptions of mutual expectations between the employer and the employee (Garrow & Martin, 2012, p. 94), either consciously or unconsciously (Kehusmaa, 2023, p. 133). According to Jean-Jacques Rousseau, whose definition of psychological contract is widely regarded as the most influential, the psychological contract refers to an individual's subjective expectations of the employment relationship, in which the employee perceives that certain promises have been made regarding what the relationship will provide (Ashdown, 2014, p. 28). There are hundreds of potential reward methods, although within a single organisation only some of them are implemented in practice (Ylikorkala et al., 2018, p. 28).

2.1.1 Tangible and intangible reward

Reward is generally divided into two categories: tangible (financial) and intangible (non-financial) reward methods. Financial reward methods are or may become economically beneficial to the employee over time (Sistonen, 2008, p. 177). Luutonen and Murtomaa (2025, p. 250–251) outline that fixed monetary salary forms the foundation of tangible reward and is typically determined by the nature of the work, the associated responsibilities, and the organisation's salary framework. Other forms of tangible reward can be either statutory or voluntary. Voluntary forms of financial rewards are for instance employee benefits, personal bonuses, performance-related bonuses, shares and options, personnel funds, supplementary pension as well as insurances (Joki, 2024, p. 147).

Definitions of intangible reward vary, but according to Joki (2024, p. 147), intangible reward usually refers to reward methods associated with career and social rewards, such as challenging work in itself, opportunities for development, positive feedback, recognition, and inclusion in responsible projects. They can be influenced within organisations through managerial practices, such as development opportunities, feedback mechanisms, and opportunities for participation in decision-making (Moisio & Salimäki, 2005, p. 195; Sistonen, 2011, p. 92–93). As observed by Kauhanen (2015, p. 114), the importance of investing in the development of the employee's individual well-being and thus intangible reward methods is constantly growing. Bankston (2018, p. 55) further asserts that some of the best rewards are grounded in freedom and recognition: freedom to influence, for example, on the content of the work can be a major motivator.

2.1.2 Fixed and variable reward

Reward can also be categorised into fixed reward and reward determined by performance or results (Viitala, 2015, p. 151), i.e. variable reward. According to Hulkko et al. (2005, p. 200), internationally, there are different definitions of performance-based pay, as national practices differ considerably. Performance-based pay is a financial reward method determined either wholly or partially by the performance of an individual, a team, or the whole organisation, and is tied to predefined objectives, and the reward is paid to the extent to which they are met. (Joki, 2024, p. 148) It complements the fixed base salary, in a form of, for example, performance and profit bonuses, profit sharing and various share-based remuneration schemes. Variable remuneration schemes are commonly further categorised into short-term and long-term incentive schemes, depending on the time horizon of the plan. (Bussin & Diez, 2017, p. 192, 194)

Gerhart and Rynes (2003, p. 167) note that organisations have increasingly adopted performance-based remuneration schemes. Nevertheless, according to Barth et al. (2008, p. 10), there are considerable differences in the use of performance-related pay systems across different industries and organisational characteristics. Kauhanen (2012b, p. 127) outlines that the common objective to implement performance-based pay is to enhance organisational performance by encouraging individuals to act in alignment with the organisation's values and objectives, or to achieve its defined goals. Furthermore, performance-based remuneration may aim to for example, drive organisation's strategy implementation to individual level, attract and retain high performer, align the reward strategy with the organisation's business strategy (Bhatia, 2009, p. 49), and encourage employees to consider shareholder interests in their actions (Graham et al., 2008, p. 312).

2.1.3 Total reward

The organisation's total reward system comprises various forms of reward methods (Ikäheimo, Löyttyniemi & Tainio, 2003, p. 61. Total reward has been defined in various ways, but it generally refers to a combination of tangible and intangible forms of reward, as defined by the organisation, which are provided to employees in return for their work contribution. Determining what constitutes reward, and thereby what is included in total reward, is not always straightforward. Total reward systems are available to all organisations, as they are applicable irrespective of factors such as organisational size or sector. (Ylikorkala et al., 2018, p. 28–29, 31, 39).

Total reward framework reflects what an organisation seeks to offer its employees. Consequently, the composition of it is shaped by the specific characteristics of and needs of each organisation and more likely to contain elements that appeal to different types of employees. When successful, total reward reflects the organisation's strategic priorities and values. (Ylikorkala et al., 2018, p. 28–29, 31, 39). As outlined by Ylikorkala and Sweins (2015, p. 22), primary purpose of total reward structure is to support the organisation's strategy.

2.2 Reward management

Reward management concerns the design, implementation and maintenance of an organisation’s reward framework. Viitala (2015, p. 141, 143) argues that the reward management should address two questions: how the organisation values its personnel, and how it intends to reward them in accordance with that value. Reward has a significant impact on the organisation's operational culture and individuals’ perceptions of what is valued within the organisation (Ylikorkala et al., 2018, p. 9). For reward to be effective, the reward system should be concurrently in line with both, the employees' competencies as well as the organisation's goals (Luoma et al., 2004, p. 34–35). Martela and Jarenko (2014, p. 47) state that from the organisational perspective, the primary purpose of the reward is to facilitate the execution of the organisation’s strategy. Consequently, it is essential to ensure that it supports the achievement of the organisation's current strategic objectives (Kauhanen, 2012b, p. 122).

2.2.1 Reward system and strategy

Organisation’s reward policies are implemented through a reward system comprising the selected reward methods, the criteria and procedures for determining reward, as well as the associated responsibilities, mechanisms, and processes (Viitala, 2015, p. 143). As noted by Ikäheimo, Löyttyniemi and Tainio (2003, p. 236–237), an effective reward system is fair, innovative, flexible and transparent. Hakonen et al. (2014, p. 16) state that it should also establish a connection between reward and the organisation’s goals and values, while also promoting individualised treatment of personnel. Research indicates that from the employee’s perspective, satisfaction with the reward processes is more significant than satisfaction with the tangible value of the reward (Liinalaakso et al., 2016, p. 55; Rötkin, 2015, p. 121), and a well-functioning reward is sufficiently straightforward, comprehensible, and structured in a way that the link between work performance and reward can be understood (Joki, 2024, p. 146–147).

The reward system is intended to reinforce employees’ behaviour patterns that align with the organisation’s vision and strategy, and it is designed to recognise personnel who demonstrate exceptional performance (Harrington & Voehl, 2012, p. 156) as well as to create models that support the sense of collectivity among personnel (Aaltonen et al., 2020, p. 2, 128). Collins (2010, p. 83) emphasises that the purpose of a reward system is not to get the wrong people to act in a certain way, but rather to identify the right people for the organisation and get them to commit. The long-term and short-term principles of reward form the organisation's reward strategy, encompassing strategic guidelines regarding the reward methods employed and the distribution of rewards. It outlines how the reward is intended to support the execution of the organisation's business strategy. (Rantamäki et al., 2006, p. 19; Viitala, 2015, p. 140) Strategic reward refers to the alignment of the reward system with the organisation to reinforce its strategic objectives, success and competitive advantage (Ikävalko, 2015, p. 106; Vartiainen, 2015b, p. 68).

2.2.2 Internal and external environment affecting reward

When designing a reward system and strategy, various factors related to the organisation's internal and operating environment must be considered. The effectiveness of the reward system is also subject to temporal constrains: changes in either internal or external environment may render the system partially or wholly unsuitable. Therefore, maintaining an effective reward system requires monitoring of different internal and external variables to ensure that factors which either enable or necessitate change are duly identified. (Harrington & Voehl, 2012, p. 156; Kauhanen, 2005, p. 260; Viitala, 2015, p. 142) In addition to the organisation’s strategy, a reward system must also consider factors, such as the organisation’s size and structure, personnel and its diversity, management methods (Armstrong & Murlis, 2007, p. 110; Kauhanen, 2012b, p. 123; Viitala, 2015, p. 147). Therefore, the formulation of a reward strategy requires a comprehensive understanding of the organisational context (Manas & Graham, 2003, p. 39).

Although an organisation may, in principle, determine its own reward practices, the reward system is influenced by the external environment. Legislation, in particular, sets boundaries for reward, but also taxation, the labour market dynamics, the general competitive landscape and actions of competitors (Manas & Graham, 2003, s. 42; Tarumo & Lahti, 2005, p. 151; Viitala, 2015, p. 142), the surrounding society, culture and their historical development (Bergman, 2005, p. 47), as well as negotiations between employee unions and employer associations (Barth et al., 2008, p. 10–11) can affect organisation's reward system and strategy. Therefore, formulation an effective reward system requires comprehensive understanding of the labour market conditions, reward practices adopted by competing organisations, employment legislation, sector-specific collective agreements, and social insurance frameworks (Kauhanen, 2012b, p. 109).

2.2.3 International reward management

As noted by Armstrong (2011, p. 110–111) and Iles (2013, p. 38), in the contemporary business landscape, globalisation shapes the business environment and challenges organisations. The global environment has redefined the managerial requirements for multinational organisations (Gazzar & Collings, 2017, p. 190), and as a result, international human resource management function must navigate the tensions between harmonisation and differentiation, as well as between centralisation and decentralisation (Viitala, 2021, chapter 5.5). An organisation must be able to create different reward models for different groups of employees (Iles & Zhu, 2013, p. 289). More broadly, the human resource function is increasingly regarded as organisation's key competitive advantage (Smale, 2017, p. 111). Consequently, responding to the challenge of reward within the global economy is one of the key elements of business success (Bhatia, 2009, p.165). Creating an inclusive organisation can have significant effects on employees and on the organisation more broadly (Mor-Barak, 2022, p. 332–333), and organisations need to understand the cultural norms of employees, to be able to motivate them to excel in their performance, as well as attract and retain the desired ones (Bussin, 2015, p. 5).

The effects of national culture on individuals and their behaviour have been extensively examined across a range of academic disciplines. Among the most widely known and recognised internationally researcher is Geert Hofstede, who states that national culture comprises shared beliefs and values that differentiate one national group from another. According to Hofstede, national culture can be divided into four dimensions: uncertainty avoidance, power distance, individualism versus collectivism and masculinity versus femininity. Subsequently, a fifth dimension, confucian dynamism, was added. Fons Trompenaars and Charles Hampden-Turner, in turn, examined culture primarily through the lens of human problem-solving and the reconciliation of dilemmas, and classified the dimensions into seven distinct categories: universalism versus particularism, specific versus diffuse cultures, achievement versus ascription cultures, individualism versus communitarianism, affective versus neutral culture, time orientation, and orientation to nature. (Rothmann, 2014, p. 166; Vance & Paik, 2015, p. 57–68)

Cultural values are a fundamental component of an organisation and its identity (Garrow & Martin, 2012, p.91), and according to Armstrong et al. (2010, p. 35), they are reflected and communicated to employees through reward practices. Luutonen and Murtomaa (2025, p. 253–254) emphasise that the criteria by which employees are rewarded is an indication of the organisational culture. The organisation's culture adapts to and responds to the demands of surrounding cultures (Branine, 2011, p. 46), and the organisation plays a crucial role in conveying the impacts arising from global, regional and national contexts (Rees & Edwards, 2017, p. 23). Conversely, the design of the reward system shapes the organisational culture and the employer image (Viitala, 2015, p. 147). Nevertheless, Sinek (2011, p. 93) points out that not all employees perceive the organisational culture as their own. Thus, for organisational values to be practically significant, they must be enacted through concrete actions, and organisation must reward employees who adhere these values in their work (Deeprose, 2007, p. 41), enabling each employee to recognise the connection between their individual contribution and the organisation's objectives (Sydänmaanlakka, 2012, p. 87).

Although globalisation and increased workforce mobility have contributed to reducing the differences in human resources management practices across countries (Viitala, 2021, chapter 5.5), cultural and environmental differences between geographical areas persist and must be considered in the design of an organisation's reward system (Armstrong, 2011, p. 113; Iles & Jiang, 2013, p. 324–325; Luutonen & Murtomaa, 2025, p. 253–254). As Devine and Syrett (2014, p. 126) note, in a global context, the ability to attract and retain the desired employees requires alignment with cultural values. Cultural factors influence reward systems at multiple different levels: national and regional cultures, as well as associated norms and expectations shape reward practices, while at the individual level, culture plays a critical role in shaping employees' perceptions, preferences, emotional reactions and attitudes towards pay (Tsai, 2017, p. 236; Vance & Paik, 2015, p. 360). However, Tsai (2017, p. 236) emphasises that cultural aspects alone are not sufficient to explain differences in rewards practices between countries.

Reward management is a recruitment, motivation and engagement instrument tool to reinforce the desired attitudes and behaviours of employees. Therefore, international reward management constitutes one of the most strategically important human resource functions in organisations operating across borders. (Tsai, 2017, p. 230–232) A successful reward management in a global context requires understanding of a wide range of cross-national aspects (Herod, 2012, p. 19, 27). Tsai (2017, p. 230) highlights that reward management becomes increasingly challenging when it incorporates international dimensions. Globalisation has amplified the awareness of the need to establish internationally equitable reward systems, encouraging organisations to mitigate the risk of cross-cultural imbalances (Bhatia, 2009, p.165). There are also variations in the suitability of different reward methods for promoting equity. For instance, intangible reward methods are generally more adaptable for equitable implementation across countries than tangible ones (Luutonen & Murtomaa, 2025, p. 250–251, 253–254). Vance and Paik (2015, p. 362) state that adopting a total reward system offers an option to develop balanced and comparable reward packages across national boundaries.

2.3 Employee motivation and engagement

As previously noted, the employment relationship can be described as a psychological contract. According to Uotila (2011, p. 153), the formulation of such a contract is contingent upon the employee’s perception of meaningfulness in their work. From the organisation’s perspective, it is essential to consider where employees direct their energy. Consequently, organisations must consider the factors that motivate employees and encourage them to pursue organisational goals. (Rantamäki et al., 2006, p. 16, 18–19) Employee engagement affects individual’s attitudes and actions that are relevant to the employer, such as employee's intentions to resign and thus the turnover of personnel, better attendance, work performance, commitment to the development of the workplace and fewer absences (Leiviskä, 2011, p. 49). However, Purcell (2012, p. 121) points out that engagement cannot be forced. Thus, organisations must strive to strengthen the emotional commitment of their employees (Leiviskä, 2011, p. 122).

2.3.1 Work motivation

Motivation is an individual and complex phenomenon. It is often defined as a person's desire to complete a task towards a certain goal (Manion, 2012, p. 322) and it arises from conscious or unconscious motives (Kehusmaa, 2023, p. 127). Rantamäki et al. (2006, p. 20) state that work motivation refers to individual's desire and effort to act in ways that are aligned with organisational objectives. According to Salmela-Aro and Nurmi (2005, p. 132, 136), distinct tasks may require different types of motivation, and conversely, when performing the same task, individuals may be motivated by various elements. Motivation activates individuals to pursue the goals they aspire to achieve and plays a decisive role in determining the extent to which they engage in their work with commitment, enthusiasm, and determination. (Joki, 2024, p. 145; Leiviskä, 2011, p. 48–50)

As with motivation in general, work motivation is a combination of internal and external factors that stimulate goal-oriented behaviour in a professional context (Kauhanen, 2015,

p. 101). However, the same factors may influence both intrinsic and extrinsic motivation and are therefore not mutually exclusive, but rather interdependent and complementary. (Luukka, 2019, p. 143; Kauhanen, 2012a, p. 92). Intrinsically motivated behaviour is inherently rewarding; individuals engage in activities for their own sake, rather than in response to external incentives (Martela & Jarenko, 2015, p. 34). Intrinsic motivation builds self-esteem, self-determination and sense of personal competence. Intrinsic motivational factors include, for example, work itself, mental growth, progress, achievements, and responsibility, and they have been estimated to have a deeper and longer effect than external motivational factors. Employees who are intrinsically motivated perceive their work tasks as meaningful, engaging, and sufficiently challenging. In contrast, extrinsic work motivation arises when people are influenced by external trigger, such as a reward, recognition, supervision, status, acknowledgement or promotion opportunity. Extrinsic motivators can exert a strong and immediate influence, although their impact may not last as long as the impact of the intrinsic motivators. (Aaltonen et al., 2020, p. 2, 187–189; Berlin, 2019, p. 236; Luukka, 2019, p. 144)

2.3.2 Motivation theories

Motivation theories aim to explain why individuals can experience the exact same situation in very different ways and how individual experiences affect a person's actions (Rantamäki et al., 2006, p. 120). Early theories of motivation describe it as a hierarchy of individual’s internal needs, wherein the various levels reflect the relative importance of each need. These needs are fulfilled progressively: the lower levels must be met to reach the higher level. (Rantamäki et al., 2006, p. 21; Sistonen 2011, p. 25) Factors have also been classified into hygiene and motivation factors (Sistonen, 2008, p. 177).

According to Maslow’s hierarchy of needs, the first level consists of fundamental physiological needs, such as hunger, thirst and rest. Within the context of working life, employees must earn sufficient income to satisfy these requirements. Higher-level needs are pushed into the background until these fundamental requirements are satisfied.

(Forsyth, 2006, p. 19; Hakonen, 2015, p. 141–142; Latham, 2012, p. 33–34) According to Maslow, motivation guides behaviour, but is never the only explanatory factor of it, as behaviour is influenced by biological, cultural and situational factors. You can't fully motivate a person from the outside, but organisation can strive to create an environment where employees would be motivated in a desired way. (Luukka, 2019, p. 144–145)

Herzberg divided motivation into hygiene and motivational factors. Hygiene factors, referred as dissatisfiers, are external factors affecting the individual. They are related to the working environment, such as working conditions, salary, relationships, status and security. They can increase job dissatisfaction, and improving these factors can reduce job dissatisfaction, but not enhance job satisfaction. Motivational factors, on the other hand, are defined as key factors that create positive motivation. They are related to the content of the work, such as the need for achievement, recognition, appreciation, interest in the work and opportunities for advancement. They create satisfaction, and by influencing them, job satisfaction can be increased. (Forsyth, 2006, p. 21–22; Hakonen, 2015, p. 142–143; Kauhanen & Viitala, 2011, p. 206–207; Tims & Bakker, 2014, p. 134)

McGregor's theory X assumes that people are without ambition, inherently self-centred, passive, or even resistant to organisational needs, uninterested in work responsibilities, and must be cajoled or forced to act in a disciplined way. Theory Y makes an opposite assumption: it assumes people want to perform well, seek meaning in their work, enjoy achievement and gain satisfaction from responsibility. Accordingly, the key to achieving high productivity is to nurture the employee's need for involvement and sense of purpose. (Forsyth, 2006, p. 17–18; Latham, 2012, p. 35; Whiteley, 2009, p. 12–13)

Alderfer developed a simpler version of Maslow's theory, the ERG-theory, which suggested three primary categories of needs: existence needs, relatedness needs and growth needs. The McClelland's three-tiered theory of needs suggested an alternative way of classifying needs: achievement, affiliation, and power. If a person has a desire to succeed, they are especially motivated by challenging tasks, and for them, performance and achievement are more important than rewards. A person who prioritises social needs, emphasises the importance of cooperation, social interaction and compassionate relationships with others. Further, a person can be motivated by prestige, the need to use power, i.e. to control or influence others and emphasizing issues related to social status. (Salmela-Aro & Nurmi, 2005, p. 133)

2.3.3 Employee engagement

According to Shuck (2020, p. 8) as well as Amati and Donegan (2012, p. 318), different definitions of employee engagement have been suggested, specifically among academic environments. Although engagement is not just employee's propensity to leave, but broader phenomenon. It is a psychological relationship between the employee and the employer that is linked to the employee's job satisfaction, desire to stay with the organisation, and appreciation for it. Engagement has been defined to take place when people are interested in or even enthusiastic about their work. In its simplest form, it is an individual's positive attitude towards the organisation: enthusiastic and dedicated state of mind as well as determination to achieve high levels of performance. (Armstrong et al., 2010, p. 39; Das Gupta, 2020, p. 107–108; Schaufeli & Salanova, 2010, p. 412; Shuck, 2020, p. 16–17) According to Jacobs and Crockett (2021, p. 162–163), the optimal level of engagement is achieved when employees possess an appropriate degree of confidence and the work itself is sufficiently challenging and intrinsically interesting.

Employee engagement is often divided into three dimensions developed by Meyer and Allen, each of which contributes to strengthening employee engagement. Affective engagement describes the individual's desire to belong to the organisation based on emotions. It is strengthened when the employee can participate in the organisation's activities, recognises the organisation's values and builds their individual identity in relation to the organisation. In continuance engagement, the relationship is instrumental: the engagement is affected by rewards, other benefits and disadvantages caused by leaving the workplace. Normative engagement is related to societal norms about what kind of obligations an employee is expected to fulfil or how they are expected to behave in relation to the employer. (Leiviskä, 2011, p. 121; Viitala, 2015, p. 86–87)

The effects of employee engagement have been examined at both the individual and organisational levels. At the individual level, higher engagement has been found to reduce employees' stress, burnout, depression and feelings of loneliness, while simultaneously increasing their sense of accomplishment at work and fostering a more positive attitude towards their job. In addition, engagement has been recognised as extending beyond the workplace, contributing to improved overall wellbeing in employees' personal lives. In addition, engaged employees are faster, focused, creative and helpful. At the organisational level, employee engagement has been found to enhance job performance, task performance, productivity, the positive psychological climate, job satisfaction, continuance commitment and the quality of customer service. At the same time, engaged employees tend to exhibit lower levels of turnover. (Shuck, 2020, p. 55, 58–59)

According to Purcell (2014, p. 247), fostering and increasing engagement is not an end in itself but is valuable insofar as it enhances organisational performance. Numerous studies demonstrate that employee engagement is strongly associated not only with reduced employee turnover but also with organisational efficiency, revenue growth and earnings per share (Fleck & Inceoglu, 2010, p. 31). Thus, a highly engaged workforce may today also constitute a source of competitive advantage for an organisation (Meyer et al. 2010, p. 62), and the human resource function should focus particularly on engagement management (Sparrow, 2014, p. 113).

2.3.4 Engagement theories

Studies and literature have examined engagement and ways to measure it from several perspectives, but it is often defined by William Kahn, who describes the concepts of personal engagement and personal disengagement, referring whether the employees are either partially or fully psychologically present during the conduct of their work (Bailey et al., 2018, p. 246). According to Kahn, engaged employees harness themselves to their work roles by directing their personal energy to physical, cognitive and emotional work: they are psychologically present as attentive, connected to others, focused on work performance, and open to themselves and others, and are as a whole, present in the performance of their work role (Bailey et al., 2018, p. 245; Crawford et al., 2014, p. 58; Shuck, 2020, p. 10). A disengaged employee, on the other hand works only with the part or amount of their self that is sufficient for the minimum performance (Luukka, 2019, p. 163–164) and may experience a diminished sense of social belonging (Soane, 2014, p. 153). Kahn (2010, p. 20–22) states that engagement is manifested as presence, focus on one's work, a willingness to actively address work-related challenges, and the directing of one's thoughts, ideas, experiences and hunches towards one's work.

May et al. have developed Kahn's idea and stated that engagement consists of cognitive, emotional, and physical dimensions. Further, Rich, Lepine, and Crawford, have suggested that engagement refers to the allocation of an employee's personal resources to work performance, as well as the intensity and perseverance of those resources (Bailey et al., 2018, p. 246). According to them, engagement affects the relationship between perceived intra-organisational support, alignment of values, self-assessment and performance (Uotila, 2011, p. 153).

Macey and Schneider have presented the theory that engagement is the individual's sense of purpose and focused energy, which occurs as personal initiative, adaptability, effort and the demonstration of perseverance. They state that employee is committed if they find their work tasks interesting and in line with their values. Saks has opposed this view and raised the question of whether an employee engagement can be directed at the employer as a whole instead of the work tasks. Currently, scholarly discourse lacks agreement on a unified and unequivocal conceptualisation of engagement. Still, the prevailing consensus is that engagement pertains to the emotions, cognitive processes, and behaviours that individuals experience and demonstrate in relation to a particular work role. (Bindl & Parker, 2010, p. 385; Schaufeli, 2014, p. 19; Truss et al., 2012, p. 223–224).

2.4 Reward as a determinant of motivation and engagement

Joki (2024, p. 145) points out that one approach to influencing employee motivation is through the implementation of reward system. According to Koivisto and Ranta (2019, p. 35), optimal outcomes are achieved when both parties benefit: the organisation receives the desired contribution, while the employee perceives the reward for their work as fair and equitable. For reward to exert a meaningful influence on motivation, it must be perceived as personally significant. However, perceptions of what constitutes a meaningful reward are highly individual, as its attractiveness is closely tied to personal perceptions, life circumstances and values. (Kehusmaa, 2011, p. 200–201; Ylikorkala et al., 2018, p. 55) Thus, Martela and Jarenko (2015, p. 159) contend that the effective management of intrinsic motivation requires treating employees as individuals and systematically identifying the specific factors that motivate each person.

The fairness of the reward system is critical, as perceptions of inequity may undermine not only motivation, but also engagement, and in some cases even lead to resignation (Maaniemi, 2015, p. 123–124; Ylikorkala et al., 2018, p. 48, 57). Furnham and Treglown (2018, p. 150), note that experiences of fairness and unfairness also influence the emergence of motivation; however, such experiences are highly individualised. According to Castellano (2014, p. 168–170), sense of fairness is strongly associated with engagement, and performance-related rewards continue to play a central role in shaping employees' sense of justice. Conversely, Hakonen et al. (2015, p. 232–233) emphasise that employees' perceptions of the fairness of a reward system are shaped not only by the reward practices themselves but also by how the organisation communicates about them, as employees must understand the grounds for remuneration in order to assess its fairness.

2.5 Cross-national and regional variation in motivation and engagement

According to Rothmann (2014, p. 175), cultural factors influence employee engagement. Rothmann nevertheless contends that the role of culture should not be overstated, as the internationalisation of working life and the more equitable distribution of wealth and education have diminished cross-cultural differences. Even so, Rothmann maintains that culture-related distinctions and influences remain worthy of consideration, in addition to which it is important to identify the factors that enhance engagement in different work communities and environments. Shimazu et al. (2010, p. 364–371) nevertheless emphasise that, despite the long-standing interest in the cultural determinants of employee engagement, cross-cultural research has focused predominantly on Western countries, whose cultural differences are in fact relatively limited.

Already in 2010, Wiley et al. (2010, p. 362) examined the drivers of employee engagement across different countries and found that, although there are differences between nations, the factors influencing engagement appear to be more universal than country-specific. The economic context also influenced employees' perceptions of safety and security, which in turn had an indirect effect on the engagement. In their study, Kelliher et al. (2014, p. 190–192) likewise found that differences in employee engagement between countries did not necessarily stem from cultural factors, but rather from elements specific to local labour markets and from the overall state of the market, i.e. from the broader economic context. In the research by Kelliher et al. (2014, p. 190–192), the universal characteristics of employee engagement were emphasised; however, local differences were also recognised. Accordingly, they propose that reflections on the factors that strengthen engagement should consider national culture, institutional contexts and prevailing economic circumstances. Further, Shantz et al. (2014, p. 267–269) argue that employee engagement is a culturally relevant phenomenon, the meaning of which varies across cultural dimensions, and thus further research on the influence of culture is required to understand the relevance of it.

3 Research methodology and method

Given the widely accepted view that the methodological choices of a study should be primarily guided by its aim (Nastasi, 2020, p. 113), the methodological decisions made in this research are accordingly grounded in its purpose: to examine what existing research reveals about the elements of total reward that affect employee motivation and engagement, and whether geographical or cultural differences in these factors have been identified. In this chapter, the research methodology is briefly introduced, and the chosen research method and the justification for its selection are discussed. First, the research philosophy and design, as well as the methodological approach, will be briefly defined, followed by a detailed description of the research method, data collection process, and data analysis procedures. Further, the quality assessment of the primary literature sources will be conducted.

3.1 Research philosophy and design

This study adopts an interpretivist research philosophy, as its aim is to examine a social phenomenon; the motivational and engaging elements of total reward across different cultural and geographical contexts. Interpretivism is widely considered particularly appropriate for research that seeks to explore complex, socially embedded, and context-dependent phenomena and thus, deemed suitable for this study. The decision to adopt an interpretivist approach is further supported by the research's aim to understand, clarify, and describe socially constructed meanings. The format of the primary material under examination has intentionally not been narrowly defined, thereby allowing for the integration of a range of perspectives presented in the existing literature.

As organisations seek to motivate and engage employees across in international context, understanding the subjective and culturally or regionally embedded meanings associated with reward methods becomes essential. Interpretivism allows the researcher to explore how existing studies conceptualise and interpret employee motivation and engagement in relation to reward, and to identify the factors that shape these interpretations. Further, this philosophical orientation supports the broader aim of the research: to enhance understanding of how total reward systems can be designed to promote employee motivation and engagement in general and within international contexts.

The research design has been developed on the basis of the underlying research philosophy, as the research design should emphasise the philosophical choices (Saunders et al., 2023, p. 131) and guide the implementation of the research method, i.e. the application of appropriate techniques to address the empirical question and the analysis of the data collected during the study (Bell et al., 2022, p. 47; Ng & Coakes, 2014, p. 44). In selecting the methodological approach, particular attention has been paid to ensuring that the research design minimises factors that may distort the results, and generates meaningful insights that clearly respond to the research question while also accounting for alternative explanations, as suggested by Weathington et al. (2012, p. 227).

Decisions concerning the research design have been made in accordance with the study's purpose and the research questions. This study is conducted as a narrative literature review, in which the selected material is not restricted to either qualitative or quantitative research, with an aim to create a representative and descriptive review about the topic. The chosen design also supports the broader purpose of the study: to provide a comprehensive overview of the current research and literature, while identifying potential gaps within existing sources. The following sections will outline the methodological foundations of the study in greater detail, including the methodological approach, research strategy, as well as data collection and analysing process.

3.2 Methodological approach

Since the purpose of this study is to examine the content of existing research, a literature review has been selected as the research method. Although the primary aim of a literature review is to identify, evaluate, interpret and combine existing information by studying existing research, i.e. primary research (Fink, 2020, p. 6; Hempel 2020, p. 4), the specific focus of a review may vary according to its purpose and intended audience. Literature review may seek to, for example, propose new research questions or methodological approaches, describe existing knowledge or identify research gaps (Booth et al., 2022, p. 5–6; Hempel 2020, p. 14). Thus, the methodological choices of this study have been primarily shaped by its purpose and the research questions.

In addition to the methodological choices guided by the overall purpose of the study, the decisions made in this research have also been influenced by the characteristics that a successful literature review is expected to exhibit. As all literature reviews are expected to demonstrate discipline, transparency, and criticality (Vilkka, 2023, p. 13–14), these elements have been considered in the preparation of this review. To ensure the disciplinary rigour of the literature review, this study seeks to be generally reliable, valid and generalisable. To maintain adequate transparency and thereby support the reproducibility of the research, the choices made throughout the research process, together with their underlying justifications, aim to be presented in the review text in an open, careful, consistent, and critical manner. Further, to achieve an adequate degree of criticality, the review has sought to adopt a structured and reflective approach throughout the literature review process, as well as to justify the methodological decisions made at each stage.

Literature reviews are commonly categorised into three main categories: narrative, integrative, and systematic literature reviews, and the appropriate type is selected based on the nature of the research topic, the research question, the review's objective, and its intended audience (Booth et al., 2022, p. 6–7; Vilkka, 2023, p. 19, 26). To determine the most suitable review type for this study, the following six aspects were considered in accordance with Cooper's taxonomy: goal, focus, author's perspective, audience, coverage and organisation (Efron & Ravid, 2019, p. 24). The goal of this research is to synthesise the insights from existing literature concerning the subject matter, and to present a holistic overview of the current state of knowledge. Accordingly, the study focuses on identifying what is already known through prior research and determining whether further investigation into the issue is necessary. Taking into account the aim and focus of the study, a narrative literature review was considered appropriate, as in general, a narrative literature review can be used to clarify what is known about the phenomenon under investigation, to identify the concepts linked to it and their interrelationships, as noted by Hempel (2020, p. 4) and Thomas (2025, p. 6). It can also synthesise fragmented findings into a coherent whole and highlight knowledge gaps or potential directions for future research (Efron & Ravid, 2019, p. 21; Vilkka, 2023, p. 20–22). Taken together, these perspectives correspond closely with the purpose and focus of the present study.

In this study, the researcher's role as a reviewer is conceived as that of an objective and neutral presenter of existing research, rather than a subjective interpreter. This study is conducted as a master's thesis and written for a general audience, i.e. anyone who may be interested in this topic, considering the general guidelines and expectations established the university and the faculty. Given these conditions, a narrative literature review was considered particularly suitable, as its flexibility supports the aim of presenting a coherent overview of the phenomenon, while maintaining an objective stance. Further, the narrative format enables the integration of diverse sources into an informative overview suitable for a broad readership and aligned with the scope and practical constraints of a master's thesis.

The coverage of a literature review can be classified into four levels: exhaustive, exhaustive with selectivity, representative, and central (Efron & Ravid, 2019, p. 27–28). The decision to conduct this study as a representative review was made at the stage of formulating the research question. Accordingly, this thesis aims to utilise primary research representative of the topic. The final characteristic of the Cooper's taxonomy is organisation that describes the researcher's decision to use a historical, theoretical or methodological format in the review (Efron & Ravid, 2019, p. 28). This study adopts a theoretical format, with a particular emphasis on existing theories and concepts, as the aim is to synthesise existing theoretical perspectives and conceptual frameworks rather than to trace chronological developments or compare methodological approaches.

In addition to the aspects described, the choice of review type was also evaluated from a methodological perspective. The narrative review is more flexible and adaptable based on the observations made during the process than other types of reviews (Vilkka, 2023, p. 20, 22). Given these considerations and the delimitations of the data of this study, the narrative literature review was deemed the most appropriate approach for this thesis as its flexibility supports the integration of diverse sources.

3.3 Review process

All literature reviews should aim to be systematic, i.e. to follow a specific procedure to minimise the risk of misleading conclusions and errors that could undermine the value and impact of the review results (Booth et al., 2022, p. 32–33, 116; Vilkka, 2023, p. 16). To achieve the level of systematicity required, the review was designed to follow a widely acknowledged, predefined review process. The review process for this study was structured by examining two conventional approaches to literature reviews: a three-step model and a six-step model, the latter serving as the structural framework for the review. According to this model, there are six major steps in conducting a literature review: choosing a literature topic, locating literature review sources, analysing and evaluating literature review sources, organising and synthesising the literature and building an argument, developing a writer’s voice and following writing conventions as well as writing, editing and refining the literature review (Efron & Ravid, 2019, p. 6–7).

The six-step process model was selected for this study, as it places particular emphasis on critical thinking and literature review as a systematic process (Machi & McEvoy, 2022, p. 5–6) and helps especially in understanding the process of narrative literature reviews (Vilkka, 2023, p. 40). Further, the model appeared to support the purpose of this study and the resources allocated for its completion. Once the decision to adopt the six-step model had been made, the content of each stage was examined, and determined whether equal time resources would be allocated to each phase or whether certain stages should be prioritised. The evaluation considered the key stages highlighted by

Vilkka (2023, p. 42–43) as essential to the review process: the choice of the research subject, the formulation of the research question, planning and implementation of information retrieval, and the identification and screening of relevant material. Thus, particular attention was paid to the first three stages of the review process.

In the first phase, the topic, purpose and research questions of the review were selected and defined, considering the audience of the review. In addition, the key concepts and theoretical framework of the chosen topic were outlined to strengthen the researcher's understanding of the topic as well as key concepts and their relations. These issues are described in Chapters 1 and 2. In the second phase, the sources available for the literature review were identified, and relevant parties, such as university library professionals, were consulted to ensure the most comprehensive use of the sources.

All activities related to the processing of the data and primary literature were carried out in the third and fourth phase, as presented in the Chapters 3 and 4: literature review sources were analysed, evaluated and synthesised, a more detailed search strategy was developed, appropriate key terms were identified and refined, the screening criteria were defined, the notes from the previous phases were analysed, as well as the key findings were identified and described. The fifth phase focused on the development of the writer's voice and the writing style. In the last stage, conclusions were drawn, evaluated, and communicated by creating a discussion between them and the original sources. Based on these elements, the review was written, then revised, edited and refined through decisions regarding what would ultimately be included in the final version.

Methodologically, since literature review is generally based on investigative, critical and comparative reading at various stages of the process, two essential elements for literature reviews are critical thinking (Machi & McEvoy, 2022, p. 5) and critical reading (Efron & Ravid, 2019, p. 94–95). Therefore, particular attention was paid to these aspects throughout all stages of the review process. Critical reading and critical thinking became especially significant during the phases involving the selection, examination, analysis and quality evaluation of source material, i.e. the second, third and fourth phases.

During the review process, no significant changes were required to the planned procedure. However, in the third phase, some minor adjustments were made, such as expanding the number of search databases and refining the search terms, based on insights gained from the preliminary literature searches. At this stage, the inclusion and exclusion criteria were further specified. Apart from these adjustments, no further modifications to the search strategy or the review process were required. In addition, modifications were made to the content and structure of the review text during the final phase in order to enhance the coherence of the review and ensure it fulfilled its intended purpose as a narrative, representative literature review and master's thesis.

3.4 Data collection process

As Booth et al. (2022, p. 125) note, the literature review aims to strike a balance between the coverage of the information, and the desired number of primary sources, depending on the type of the review and the selected coverage. Given the nature of this study as a master's thesis, particular attention was paid to the scope and quality of the primary research to be used. Consequently, the material selection process constituted an important phase of the research. This study is conducted as a representative review and thus, the aim has been to build a review process resulting in the analysis of the representative examples of similar publications in the field, without limiting the set of sources too narrowly, which influenced the process of data collection.

Since this thesis was intended to be conducted in a systematic manner, the primary literature search process was planned based on the method referred as the SALSA process, consisting of four phases: search, appraisal, synthesis and analysis (Booth et al., 2022, p. 36). The data collection process was further divided into two main stages, i.e. identification and screening. The study considered the points raised by Vilkka (2023, p. 54–55) regarding the need to conduct a review using a predefined, structured and repeatable search method in order to identify material that is relevant, unbiased and sufficiently comprehensive. Accordingly, the research questions were carefully defined, keywords identified, the search language was used with precision, the search was limited by inclusion and exclusion criteria, and different search techniques were utilised. In addition, throughout the data collection process, the aim was to process the data critically, systematically, accurately and transparently. Therefore, notes were taken on the design, use and development of search terms and phrases, the databases used, the criteria for including and excluding data, and the identification of relevant research objects.

As described previously, the review process of this thesis has been divided into six separate phases. The handling of the primary studies and literature itself, corresponding in this study to the second, third, and fourth stages of the whole review process, is typically divided in literature reviews into two parts: identification and screening. These processes are explained in the following sections.

3.4.1 Identification

As the thesis is a narrative literature review aiming for representativeness, it was necessary, prior to data compilation, to define what kind of data is representative in relation to the research question, the objectives of the review and the target group as noted by Vilkka (2023, p. 102). Given that this study aims to examine existing research concerning the elements of reward that influence motivation and engagement, and to determine whether regional or cultural differences in these factors have been identified, representative material refers to sources that either describe the topic, comment on the existence of such research or provide evidence of whether such differences have been recognised, either globally or on a smaller regional or cultural scale. On the other hand, if source material containing such information is limited, it may still address the research question concerning whether existing studies or other literature have examined this topic. This perspective allows for the inclusion of a comparatively broad range of material in the thesis' primary research. The search strategy aimed to achieve a sufficiently comprehensive and thorough body of material that would encompass all relevant sources, taking into account the study's objective of identifying a representative dataset.

3.4.1.1 Search strategy

As a clearly structured and documented search strategy makes the search process transparent and enables the reproducibility of the study (Hempel, 2020, p. 45), the data collection process was initiated by defining the search strategy aiming to identify original literature relevant to the research question, while simultaneously excluding those deemed irrelevant. To achieve this, efforts were made to carefully define the search terms and to identify and appropriately apply the search techniques relevant to the study.

The development of the search strategy began by defining the search terms. First, the keywords were identified by conducting preliminary searches. As part of this process, the terms regarded as synonyms or related concepts were defined. To consider all alternative expressions and spellings, the thesaurus function and encyclopaedias were utilised. In order to ensure that the terminology of the topic was accurately identified and appropriately used, a series of preliminary searches was conducted. The preliminary searches also aimed to help formulate the search terms and phrases so that the actual literature search could retrieve the studies relevant to the defined research questions. After the preliminary searches, the search terms were refined.

To conduct a comprehensive, narrative review, thesaurus tools, Boolean operators and the snowball sampling technique were utilised in the actual search. The Boolean search is a method that uses logical operators *and*, *or* and *not*, to combine the keywords to structure the query (Machi & McEvoy, 2022, p. 82). The snowball sampling technique refers to a method by which studies relevant to the research are identified through the reference lists of primary sources (Ridley, 2012, p. 56). It was used to identify studies that use different keywords and terms to describe the same phenomenon as well as to locate the most recent references related to the topic. As the preliminary searches did not reveal any key studies from which the precise search terms relevant to the topic could have been derived, the citation pearl growing technique was not utilised.

Following the procedures described above, the following search terms and phrases (and their direct Finnish equivalents) were formulated and used:

- total reward OR reward OR total remuneration OR remuneration OR total compensation OR overall compensation OR compensation OR total pay OR pay OR total payment OR payment OR full salary OR salary OR incentive;
- AND motivation OR engagement OR commitment;
- AND international OR global OR worldwide OR universal OR transnational OR multinational OR intercontinental OR interregional OR foreign OR cross-border OR regional OR cultural.

The first two rows of search terms, relating to reward, motivation and engagement were used to address both research questions. When retrieving source literature to answer the second research question, search terms from all three rows, including those reflecting the international dimension of the topic, were applied. Furthermore, the purpose of this approach was to determine whether research on the topic has been conducted with a focus on specific national, regional, or cultural contexts, as such studies might not have appeared when the search terms included references to internationality. All variations of search terms were applied as described above across all databases. A record of all searches was maintained to avoid repeating the same queries.

3.4.1.2 Search databases

During this selection process of search databases, attention was paid to the recommendations that researchers are not restricted to one particular type of information source, but it is advisable to consult multiple databases, both general and subject-specific (Ridley, 2012, p. 43, 52). In addition, the selection process considered the purpose of the thesis, i.e. to synthesise the existing research and literature in the field and present a comprehensive overview of the current state on knowledge on the topic, as well as the nature of the primary research required to fulfil that aim.

In this study, it was decided to primarily utilise the academic online databases provided by the university, as they offer access to an extensive selection of digital databases and electronic journals. Some of the online databases were accessed via cross-platform search engines, such as EBSCO and ProQuest. Furthermore, the library catalogues, bibliographical databases and search services, as well as open access databases were used. Even if internet search engines offer extensive bibliographic databases, their use was considered unnecessary due to the limitations and challenges associated with their reliability and precision. Furthermore, other publicly available websites or professional organisations' web pages were also excluded as search platforms, as during the preliminary research, none were found to provide relevant sources.

From among the databases available, 12 databases were selected for use in the study, as they were considered likely to contain relevant results for this study. Six (6) of the selected databases, i.e. ABI Inform Complete (ProQuest), Academic Search Elite (EBSCO), Business Source Ultimate (EBSCO), Ebook Central (ProQuest), Cambridge Core and Finna, yielded material that was relevant to the study. Six (6) of the selected databases yielded no material deemed relevant to this study following the application of the final inclusion and exclusion criteria. No relevant primary material addressing either of the research questions was identified in the following sources: Ellibs, Emerald eBooks, Emerald Journals, Directory of Open Access Journals ("DOAJ"), Oxford Scholarship Online (Oxford University Press) and Oxford University Press Journals. More broadly, it can be concluded that across all these databases, the searches produced only studies that addressed one or more of the phenomena in question, i.e. reward, motivation or engagement, in a highly limited or narrowly defined manner.

3.4.1.3 Format of the source literature

Before the start of the literature search, the desired format of the primary studies was determined. As the narrative literature review does not impose strict limitations on the forms of primary source literature, the selection of the source literature has been primarily guided by the aim, research question, and intended audience of this thesis. Thus, the formats of primary literature used in the review have been only minimally restricted, allowing for the inclusion of variety of materials, such as journal articles, books, doctoral dissertations, postdoctoral research and professional reports. Taking account of the relatively broad inclusion criteria applied to the primary studies used, Ridley's (2012, p. 47) recommendation that all sources of information should be carefully evaluated prior to their inclusion in the literature review has been consistently observed throughout the entire selection process.

Given that the purpose of this study is to investigate whether existing research has been conducted on the motivational and engagement-related effects of reward methods or internationally recognised differences in them, and to provide a general overview of the phenomenon, the study has deliberately sought to incorporate grey literature alongside peer-reviewed studies, referring to published material that has not undergone peer review process and is not published in the format of traditional research journal (Greetham, 2021, p. 59–60). With regard to grey literature, the aim was to find academic articles and literature in the field. Nevertheless, the decision to include grey literature has considered the challenges associated with the use of grey literature, such as the potential variability of findings over time, as Hempel (2020; p. 29) highlights. These challenges have been addressed through careful critical reading and thinking.

As the application process progressed, criteria were established for the inclusion and exclusion of the literature sources. According to Vilkka (2023, p. 69), it is important to state explicitly the basis on which studies have been selected for the review, as well as the grounds for their exclusion. The limitations were carefully considered, because if the search is too narrow, relevant material may be overlooked, whereas an overly broad search may result in the inclusion of numerous irrelevant sources, as Fink (2020, p. 22) points out. According to Hempel (2020, p. 47), defining the review material is a constant balance between sensitivity and specificity: aiming to identify relevant studies while excluding irrelevant citations. This aspect was likewise taken into account in the selection of the primary studies: the material and its extent were defined with the aim of supporting the purpose of the study and the research questions posed.

The definition process of the inclusion and exclusion criteria began with criteria that did not influence the substantive content of the articles. At this stage, studies were screened using various practices, such as reviewing titles and research abstracts, and limited by three different criteria in addition to which the material was automatically constrained by its availability. First, the material was limited according to the language in which it was published. In the review, only original studies in Finnish or English were examined. Further, the review focused on research in the field of business and economics that deals with leadership or, more specifically, employee reward, motivation or engagement. Thirdly, the literature sources were limited according to the year of publication. Only literature sources published within the approximately ten (10) years preceding the search were used, as the topic under study is rapidly changing, and thus it was estimated that original studies older than that would no longer reliably describe the current state of the phenomena under investigation. Accordingly, the primary material was limited to publications from the beginning of 2015 onwards.

3.4.2 Screening

Once the preliminary inclusion and exclusion criteria had been defined, the selected literature sources were examined in greater depth. Screening criteria were established to specify the final primary material, determining the conditions under which study was either included in or excluded from the study. Following this, the material obtained through the search and screening process was analysed in detail. The literature sources were summarised systematically, but briefly, as according to Vilkka (2023, p. 74), although taking notes is important for the transparency and reliability of the review, it is not appropriate to write a summary of every study. Further, a review matrix was prepared describing briefly the grounds on which the studies have been excluded or included in the review to ensure the transparency and traceability of the selection process.

3.4.2.1 Screening criteria

Following the preliminary screening, the final selection of source literature was carried out by defining the inclusion and exclusion criteria based on the type of material that would best support the study's purpose and research question. At this stage, particular attention was paid to ensure that the study addressed the research question in a representative manner. The evaluation considered the context, topicality and the scope. Furthermore, the potential bias of the information contained in the source literature was assessed, as well as whether the study was produced by an entity with vested interests in influencing its content.

The primary studies were neither restricted nor prioritised on the basis of geographical or cultural factors, nor were they limited or prioritised according to methodological criteria. During the selection process, no essential literature was identified as having been excluded from the study due to issues of availability. However, given the international scope of the research, and the relatively limited number of search databases available, it is possible that some primary literature may have been unintentionally excluded due to availability constraints, potentially affecting the findings and, consequently, the overall conclusions of the study. This aspect has been considered in the assessment of the study's quality appraisal and the conclusions. Moreover, the material was technically limited by removing search results that were repeated across different search databases.

3.4.2.2 Content analysis

When all the literature sources had been found, i.e. there were no new relevant studies with the chosen search technique, the quality and comprehensiveness of the found literature were systematically assessed to evaluate whether all relevant sources had been found, in line with Fink's suggestion (2020, p. 27). Consequently, no missing sources or need to expand or change the scope of the search were identified. As a result of the identification and screening processes, 12 studies were ultimately selected as the primary research for this thesis and reviewed in terms of content. The content analysis included, for instance, a description of the core content of the study and information about its publishers. After that, each study was examined to assess how it was determined to be relevant to this review, and how the study responds to the research questions. This was done to ensure that the described inclusion and exclusion criteria were appropriately applied to select comprehensive and qualitative literature sources.

The content analysis of primary literature was conducted by summarising and structuring the aforementioned information in written notes. In addition to collecting and analysing information related to each individual study, the content analysis involved categorising the original studies into three groups based on how significant they were considered to be as research objects within the context of this thesis: particularly significant, potentially significant, or limited or no significance. The content analysis was carried out through critical reading, as the aim was to engage with the research objects in sufficient depth to enable the systematic examination of the material, and thereby allowing for the formulation of independent conclusions.

3.4.2.3 Quality assessment of the primary literature sources

Since this study seeks to generate new knowledge by analysing and synthesising information from primary literature, critical evaluation of sources constitutes an essential component of the analysis: it is necessary to ensure that the data is appropriate for the intended purpose, sufficiently comprehensive, and demonstrably reliable. However, the criteria for assessing the reliability of the source material depend on the data and the perspective adopted. (Alasuutari, 2011, chapter 4; Walliman, 2011, p. 84)

In this study, the quality assessment of source literature has been integrated throughout the identification and screening processes of the source literature, but particular attention has been paid to this aspect during the content analysis of the material. The quality assessment of the primary studies has been conducted by evaluating the selected literature as a whole, as this approach is often considered suitable in the context of narrative literature reviews (Vilkka, 2023, p. 92). In literature reviews in general, the evaluation can be carried out by evaluating three perspectives: the applicability of the article to review, as well as its external and internal factors (Booth et al., 2022, p. 166–167; Thomas, 2025, p. 49–59). The intention, however, is not to adopt an excessively critical stance (Efron & Ravid, 2019, p. 95–96). Accordingly, this thesis has established precise criteria for assessing the quality of primary literature. The quality assessment was documented in research notes and review matrix.

In this study, the content analysis of primary literature has been structured into three components: the assessment of applicability, as well as the evaluation of both internal and external factors. In light of the study's aim to compile a representative body of material, particular emphasis has been placed on assessing applicability of the primary literature, particularly the strengths and weaknesses of the studies in relation to the research questions and purpose of the review. The evaluation of external factors was carried out during the identification process of the primary literature and the suitability of each study was assessed individually. Additional consideration was given to whether the study had undergone peer review, whether it had received funding, and whether the author might have any potential conflicts of interest related to the subject matter. The evaluation of internal factors involved a more in-depth examination of the methodological implementation of the original studies and the extent to which their findings can be considered valid. Based on this evaluation, the inclusion decision of each study was made in accordance with the predefined inclusion criteria.

4 Key findings

This chapter presents and analyses the key findings derived from the primary studies included in the review and seeks to illustrate how the information obtained from these studies has been synthesised to generate new insights. According to Vilkka (2023, p. 95–96), the level of detail with which the results of a literature review are reported is determined by the type of review selected. Accordingly, this section has been structured to reflect the fact that the present study has been conducted as a narrative literature review, whose purpose is to compile a representative body of primary sources. Furthermore, in assessing the appropriate depth and scope of the findings presented, consideration has been given to the purpose of the study and the adopted hourglass that highlights theoretical background and knowledge derived from the review.

4.1 Research evidence on the motivational and engagement effects of reward methods

This section presents the principal findings derived from the research literature in response to the first research question of this study. With regard to the first research question, the primary studies provide insights into the reward methods that influence employee motivation or engagement in general. The primary sources emphasised the distinction between tangible and intangible forms of reward and their effects on employee motivation and engagement. The research literature offered very limited discussion of other reward methods or categories. The original studies did not explore, for example, the effects of variable and fixed rewards on employee motivation or engagement.

Regarding the emergence of motivation, the studies paid particular attention to the influence of tangible rewards. With respect to tangible remuneration methods, the primary sources were partly consistent with one another, although in some respects they diverged. The studies consistently found that tangible remuneration methods may have a direct and significant impact on work motivation in the short term; however, over the long term, financial rewards alone are unlikely to sustain motivation. This view was expressed, for example, by Rose (2022, p. 31) as well as Armstrong and Brown (2024, p. 120–122). On the other hand, Fisher (2015, p. 121) notes that financial reward is not usually a decisive factor in the emergence of motivation. MacRae and Furnham (2017, p. 114–115, 143) even argue that although money can motivate, monetary remuneration methods tend more often to diminish motivation than to enhance it, and they function more as a discouraging than an inspiring force.

In general, intangible forms of reward were considered to have a positive effect on the emergence of motivation. For example, according to Armstrong and Brown (2024, p. 121–123), intangible reward methods, such as recognition, fulfilling work, achievement, responsibility, autonomy, overall quality of working life and opportunities to influence and develop abilities, can significantly enhance employee motivation. Rose (2022, p. 29–30) also recognises the significance of intangible reward methods as drivers of employee motivation, while Shields and Kim (2025, p. 45) highlight the potential of intangible reward methods to strengthen employee motivation.

The original studies also compared the effects of tangible and intangible forms of reward on the development of intrinsic and extrinsic motivation. For example, MacRae and Furnham (2017, p. 114–115, 117, 143) highlight that tangible reward methods function as an extrinsic motivator, whose impact can be strong but typically short-lived. By contrast, tangible forms of reward were not considered to have a positive effect on the development of intrinsic motivation. Armstrong and Brown (2024, p. 120–122) note that intangible reward methods generally have a stronger and more enduring impact on employees' intrinsic work motivation than tangible rewards. Rose (2022, p. 33) and Gerhart (2023, p. 326–327) even contend that financial rewards, particularly performance-based rewards, may have a detrimental effect on employees' intrinsic motivation. Intangible forms of reward, by contrast, were regarded as positively influencing intrinsic motivation.

With regard to employee engagement, the studies likewise focused largely on comparing the effects of tangible and intangible forms of reward. The primary studies reached a relatively unanimous conclusion that both tangible and intangible forms of reward can foster and sustain employee engagement, provided that the associated practices and processes are effective. Gerhart (2023, p. 323) argues that monetary compensation influences employee engagement; financial reward methods may be a decisive factor in for example, employees' decision to remain within the organisation. Rose (2022, p. 29, 36–37) recognises that reward methods in general do have an impact on engagement yet simultaneously notes that tangible reward methods have been found to exert relatively little influence on engagement.

The primary sources indicate that intangible elements of reward can significantly enhance employee engagement. For example, Gerhart (2023, p. 324) highlights that, in addition to financial reward methods, intangible elements of reward, such as job satisfaction, have been shown to affect employee engagement. The original studies provided a comprehensive overview of various forms of intangible reward and their positive influence on the emergence and strengthening of employee engagement. According to Armstrong and Brown (2024, p. 122–123), the nature of the work, the working environment, opportunities for career development, and work-life balance are identified as key non-material factors contributing to employee engagement. Jones and Perkins (2024, p. 336–338) state that intangible reward methods, such as career and professional development, workplace environment, organisational culture, as well as employee influence, have an impact on engagement. Saks and Gruman (2021, p. 143–144) also identify additional aspects that enhance employee engagement, such as training and development opportunities, as well as flexible work arrangements. In addition, Bingham (2016, p. 178–182) further notes that employee engagement can be positively influenced by several factors, including effective supervisory practices, other elements of leadership, the availability of work-related resources, the delegation of responsibility, clear and open communication, and opportunities for employees to participate in decisions concerning their work.

The primary studies also compared the effects of intangible and tangible reward methods on employee engagement. Rose (2022, p. 37–38) notes that intangible forms of reward, such as praise and recognition from immediate supervisors, as well as the delegation of responsibility, have been found to exert at least a similarly engaging effect as various performance-based financial rewards. Armstrong and Brown (2024, p. 122–123) even assert that intangible reward elements have been shown to have a more substantial influence on employee engagement than monetary remuneration methods. Furthermore, Rose (2022, p. 38) highlights as an example that millennials tend to experience greater job satisfaction than previous generations when exposed to non-monetary forms of reward, suggesting that such approaches may be more effective in enhancing their engagement than financial incentives.

In summary, it can therefore be stated that, with regard to the distinction between tangible and intangible forms of reward, numerous original studies underscored the impact of non-tangible reward methods on both motivation and engagement. In any case, the significance of tangible forms of reward for motivation and engagement was not disputed; rather, tangible and intangible forms of reward were regarded as complementary to one another. A substantial number of primary studies, for example Armstrong and Brown (2024, p. 120–122) as well as Jones and Perkins (2024, p. 338–341), advocate for reward systems that combine both tangible and intangible reward elements. Jones and Perkins (2024, p. 338–341) likewise emphasise that a well-functioning total reward system has been shown to exert a positive influence on both motivation and engagement. In addition, Shields and Kim (2025, p. 45) point out the importance of achieving an appropriate balance between tangible and intangible reward methods.

Overall, the primary studies highlighted the potential of total reward to generate and strengthen employee motivation and engagement. For instance, Cafaro (2021, p. 41–42) highlights the increasing diversity of the population, which in turn leads to changing and more varied expectations among employees. Gerhart (2023, p. 322–323) also notes that employees tend to seek out organisations whose total reward systems align with their individual preferences. Shields and Kim (2025, p. 45) further draw attention to the reward methods that individuals themselves value. According to Cafaro, a total reward system responds to these evolving expectations more effectively than individual reward methods and is therefore the most effective means of fostering engagement. Total reward system enables the combination, and even the recombination, of different reward methods to meet employees' emotional and motivational needs. In addition, it facilitates the integration of employees' lifestyles with their working lives, thereby enhances their engagement. (Cafaro, 2021, p. 41–42)

With respect to both motivation and engagement, the original studies highlighted several intangible reward methods and related aspects, such as recognition and perceptions of fairness. The significance of recognition emerged as a recurring theme, demonstrating its relevance to both motivation and employee engagement. For example, Fisher (2015, p. 54, 58, 147) argues that reward and recognition are integral to one another, and that recognition affects the majority of employees, with reward systems incorporating recognition having been found to be highly effective. Jones and Perkins (2024, p. 325) emphasise that recognition is a key factor in shaping employee motivation and, as such, constitutes an essential component of a total reward system. MacRae and Furnham (2017, p. 151–152) further underscore the role of recognition and the development of specific recognition programmes in creating and reinforcing intrinsic motivation among employees. In addition, great number of original studies, such as Bridger (2022, p. 89), Cafaro (2021, p.289–290), Fisher (2015, p. 54, 58), as well as Saks and Gruman (2021, p. 145), identify the role of recognition as an important contributor to employee engagement. Furthermore, Rose (2022, p. 185–191) notes that receiving recognition has a significant impact on employee motivation and engagement and consequently reward systems increasingly incorporate explicit recognition plans as part of their reward structure.

In addition to recognition, one specific finding highlighted in the primary studies was the extent to which employees' perceptions of the fairness or unfairness of the reward system significantly influence both motivation and engagement. Armstrong and Brown

(2024, p. 120–121) as well as Rose (2022, p. 38–42) share the same view, according to which, the perception of unfair reward can act as a substantial demotivating factor. Gerhart (2023, p. 232, 332–333) also notes that the perceived fairness of both reward practices and the reward system as a whole may have a significant impact on engagement. Jones and Perkins (2024, p. 59–60) also concur with the view that the perception of fairness within reward system enhances both employee motivation and engagement.

In addition, according to research literature, several general factors of reward systems were noted to influence the motivational and engagement-enhancing effects. For example, Rose (2022, p. 29, 36–37) asserts that reward systems in general play a pivotal role in promoting employee engagement. Armstrong and Brown (2024, p. 123) highlight the effectiveness of the reward system and note that a deficiently functioning system may even undermine the employees' motivation. Jones and Perkins (2024, p. 341–342) further emphasise that the motivating and engaging effects of a total reward system also depend largely on the system's overall effectiveness. Furthermore, Saks and Gruman (2021, p. 144) state that employees' participation in decision-making has been shown to positively influence on the development of employee engagement by enhancing psychological meaningfulness and a sense of safety. Overall, Rose (2022, p. 33) concludes that the effects of reward systems are highly complex. Moreover, nearly all of the primary sources highlighted that, for a reward system to strengthen motivation and engagement, the organisation must communicate it to employees in a comprehensible manner.

4.2 Research evidence on the international variations in the drivers of employee motivation and engagement

This section presents the principal findings derived from the research literature in response to the second research question. In relation to the second research question, particularly relating to geographical or cultural context, the most significant finding from the original studies was the absence of research and literature that directly addressed the question. Among the reviewed studies, no evidence was found of research that had examined the various components of total reward and their impact on employee motivation or engagement in an international context or across regional or cultural boundaries. The original studies contained several isolated, high-level observations. For example, Fisher (2015, p. 122) argues that tangible rewards motivate individuals to perform better when the standard of living is low and additional financial compensation can genuinely enhance employee's lifestyle. Still, this phenomenon is no longer typical in developed societies with functioning social welfare systems and minimum wage levels. Today, only a relatively small proportion of employees live in such conditions, and the phenomenon has therefore become considerably less common. (Fisher, 2015, p. 122) Nevertheless, Fisher does not provide further analysis of the scope, prevalence or manifestations of the phenomenon.

The original studies examined only in a relatively narrow sense whether the general factors that strengthen motivation and engagement vary geographically or culturally. These observations focused on general aspects, and the studies did not investigate whether variation exists between different reward methods in terms of their capacity to enhance motivation and engagement. For instance, according to Fisher (2015, p. 215), although motivation and engagement as phenomena are broadly familiar and relatively similar across cultures, the concept of employee engagement is not easily transferable from one cultural context to another, and developing an international reward system therefore requires careful planning.

The original studies acknowledged that reward systems vary internationally. However, the factors identified as underlying these differences were limited to aspects related to the organisational operating environment, such as regulatory frameworks, taxation policies, and the adoption of performance-based pay mechanisms. The reasons identified as underlying these differences were thus largely attributable to the societal characteristics of different geographical regions or to factors associated with national economic conditions. Consequently, the original studies did not establish that reward practices or total reward models differ internationally because different forms of reward had been found to influence employee motivation and engagement in distinct ways. For instance, Armstrong and Brown (2024, p. 340–342) observe that the development of an international reward system is shaped by not only the local prevailing culture, but also local market practices, regulatory frameworks and institutional factors. Consequently, according to them, differences in what employees value within a reward system cannot be determined solely on the basis of the dominant culture. Brewster et al. (2023, p. 189–192) likewise highlight that although national cultures can provide valuable and reliable insights for the design of reward practices and systems, employees' individual views may differ substantially even within a single culture.

Several studies addressed the question of whether regional or cultural factors more generally might influence employees' attitudes towards different forms of reward. A number of the original studies noted that cultural background may, in particular, shape employees' perceptions of intangible reward methods. In addition to examining tangible and intangible forms of reward, the studies also addressed other remuneration methods and categories. For example, Brewster et al. (2023, p. 189–190) observe that in cultures characterised by high levels of masculinity, i.e. where actions and achievements are prioritised over relationships and empathy, employees exhibit a heightened interest in variable forms of reward in which individual performance directly influences the rewards received. Still, the original research did not examine whether such attitudes also affect the extent to which different forms of reward motivate or engage employees.

In addition to the influence of cultural differences on how employees perceive various forms of reward, the original studies also emphasised that certain underlying factors shaping employees' attitudes are universal in nature. For example, Cafaro (2021, 289–291) notes that the implementation of recognition should take into account recognition cultures and preferences; however, he simultaneously stresses that the need to receive recognition is universal and affects individuals in a similar manner. Thus, the phenomenon and the significance of recognition are, fundamentally, shared across people, and regardless of cultural context, recognition must be provided with sufficient frequency.

Brewster et al. (2023, p. 189–192) likewise contend that previously examined cultural characteristics associated with reward preferences may not, in fact, correspond to how individual employees respond to specific reward methods or practices. Thus, the attributes employees believe they prefer in the abstract do not necessarily align with those that ultimately foster engagement.

Although the original studies describe cultural or regional differences in employees' motivation and engagement, as well as in their attitudes towards various forms of reward, reward practices or reward systems, they do not, however, identify international differences in the extent to which different components of total reward motivate or engage employees. The topic was addressed in the original studies only in a very limited manner, appearing merely as brief references. The potential underlying reasons for these phenomena were not examined in the original studies, nor was the matter explored in greater depth. Consequently, they remained isolated and narrowly framed observations without further analytical elaboration. Existing research instead identifies variations between generations, industries and individuals in the motivational and engagement-enhancing effects of different reward types. However, no conclusions could be drawn from these observations with regard to the second research question posed in this study.

In addition, certain original sources referred to studies that had examined whether different forms of reward motivate or foster engagement in distinct ways within a specific and limited geographical context, typically at the level of a single country or continent. However, no genuinely comparative research was identified. Further, the original material did not include a sufficient number of regionally conducted studies from which findings could be reliably synthesised to form comparative conclusions. The regionally focused studies often addressed not only a specific geographical area but also a narrowly defined sector or even a single organisation, thereby constituting case studies. As such, these studies could not be meaningfully analysed or combined to produce findings that would directly answer the second research question posed in this study.

The aim of the second research question in this study was to determine whether differences in the motivating or engaging elements of total reward have been identified at the international level. In relation to this question, the primary literature yielded very few relevant studies, despite the broad definition applied to the forms of original literature included. Based on the primary literature, there was no clear indication that this specific topic has been the subject of prior research. It is important to acknowledge that, within the context of literature reviews, the absence or insufficiency of relevant original research constitutes a noteworthy research finding in its own right.

5 Conclusions

This chapter summarises the key findings in relation to the purpose and research questions of this study, reflects on the significance of the findings, and serves as a critical synthesis of the research. As part of the evaluation of the results, efforts are made to identify the limitations of the study and to assess how these may influence the interpretation or generalisability of the findings. Moreover, this chapter proposes directions for future research and presents an assessment of the quality and ethical considerations of the study.

5.1 Discussion

This section presents a summary of the key research findings, comparing them with the theoretical framework of the topic and addressing the research questions posed in the study. The reliability of the results is assessed in relation to the quantity, scope, and quality of the research data. At the same time, conclusions are drawn from the most significant observations, considering the purpose and intended audience of the study. This section also evaluates the potential impact of the decisions made during the research process on the findings obtained.

The purpose of this study was to examine existing research on the elements of reward that influence employee motivation and engagement, and to determine whether cultural or regional differences in these factors have been identified. Analysis of the selected primary sources revealed that various components of total reward, broadly categorised into tangible and intangible forms of reward have been examined relatively extensively in relation to their motivational and engagement-enhancing effects. Regarding these motivational and engagement-related elements, the primary studies were largely consistent with other research and literature on the topic: both tangible and intangible reward methods motivate and engage employees, although the motivational effects of tangible reward methods tend to be more short-lived than intangible ones.

Similarly, in terms of employee engagement, the findings indicated that intangible forms of reward are more effective, or at least equally effective, in fostering employee engagement than tangible rewards. Among the intangible reward, recognition emerged as having a particularly significant positive impact on both motivation and engagement. In addition, the experience of unfair reward was found to have a negative effect on both motivation and engagement. Furthermore, it was observed that the overall structure of total reward and the effectiveness of the employer organisation's reward system play a crucial role in employee motivation and engagement. These findings align with the theoretical background and framework of the topic.

With regard to the different elements of reward, existing research has focused predominantly on analysing and comparing the motivating and engaging effects of tangible and intangible forms of reward. Although reward can be categorised in various ways, for example, into fixed and variable components, studies have not examined the motivational and engaging effects of these categories to the same extent as those of tangible and intangible rewards. Given that reward and total reward more broadly have been extensively studied over recent decades, it is rather surprising that research on motivating and engaging elements has remained largely restricted to the distinction between tangible and intangible reward methods. This is particularly notable considering that performance-related rewards, which form a key part of variable reward, have been widely examined from multiple different perspectives. The limited attention paid to the motivational and engaging effects of fixed and variable rewards is therefore unexpected, especially given the growing body of research on total reward, which is generally understood to encompass a wide range of reward methods that would naturally warrant more comprehensive analysis.

The study is able to address its first research question and fulfil its purpose by examining what existing research reveals about which elements of total reward motivate and/or engage employees within their employing organisation. Although current research of total reward in this context appears to remain largely limited to the distinction between tangible and intangible reward methods, the findings also reinforce the view that a total reward based system is well positioned to respond effectively to contemporary organisational challenges, particularly those arising from employees' increasingly diverse expectations regarding both reward and the employer relationship more broadly, and thereby to the challenges associated with motivating and engaging employees.

In relation to the first research question, the reliability of the findings has been assessed as sufficient, as the aim was to explore how existing literature has described the impact of total reward elements on employee motivation and engagement. That the research findings are consistent with the theoretical framework presented in the study reinforces the view that the results are reliable. Despite the comparatively limited volume of research material, it has been concluded that the data was sufficiently comprehensive to address the research question. The reliability is further reinforced by the fact that the review material was selected using predefined inclusion and exclusion criteria, which were intended to ensure that the material comprised studies and literature relevant to answering the research questions. However, as the topic was addressed at a highly general level without specific delimitations, the research findings are considered to be generalisable. Moreover, no aspects relating to the implementation of the study or to the methodological choices were identified that would have limited the generalisability of the findings in relation to the first research question.

The other aim of this study was to investigate whether any international differences have been identified in the factors that enhance employee motivation and engagement, specifically in relation to geographical or cultural context, in order to enhance current understanding of the considerations that organisations operating in international contexts should take into account to ensure that their total reward systems effectively motivate and engage employees. With regard to the second research question, the primary sources did not reveal any studies or other literature relevant to the research that had compared these effects from an international, regional, or cultural perspective, nor was there sufficient data from which such a comparison could be drawn. Therefore, in response to the second research question, the study concludes that existing research and literature have not examined whether there are differences in the factors that enhance employee motivation and engagement, specifically in relation to geographical or cultural context. As a result, the study is unable to fulfil its purpose in terms of broadening knowledge of the considerations that organisations operating in an international environment should take into account in developing total reward systems that promote employee motivation and engagement. The aim of this study was not to conduct research on potential international differences in the motivational and engaging effects of various reward methods in the absence of existing studies on the topic. Accordingly, such research was not undertaken within the scope of this study.

The fact that existing research has not examined the differences in the motivational and engagement-enhancing effects of various reward practices at an international level may, for example, be due to the topic not yet being widely recognised as a sufficiently significant area of inquiry. However, in light of the worklife-related phenomena and changes described earlier in this study, and the challenges the phenomena pose for reward systems, this explanation appears unconvincing. The primary studies generally reinforce the view that motivating and engaging employees will become increasingly challenging in the future, and that organisations will therefore need to identify diverse solutions to motivate and engage the desired employees. Moreover, the primary studies acknowledge the growing importance and impact of total reward and its individual components in the years ahead.

With regard to the second research question, no relevant material was found using the selected search strategy or within the chosen search databases. Given the time invested in developing the search strategy, the comparatively comprehensive range of databases used, and, for example, the utilisation of expert support from the university library during the planning of the search process, the finding that such research has not been conducted, at least not comprehensively, can be considered relatively reliable. It is, of course, possible that such research has been conducted, but was not included in the search databases through the search strategy employed. Nevertheless, the study did not reveal any evidence that internationally, regionally, or culturally comparative research on this specific topic has been undertaken. The exclusion of studies from the primary studies has not been assessed as having significantly influenced the research findings, meaning that no studies were identified among those excluded material that should have been included in this research, or whose inclusion would have substantially altered the outcome of the study. In addition, no other limitations or considerations relating to the implementation of the study or to the methodological choices were identified that would have undermined the reliability or generalisability of the research findings in relation to the second research question.

In light of the above, with regard to the first research question, the study reinforces the existing understanding of how different elements of total reward have been assessed in the literature in terms of their impact on employee motivation and engagement. Concerning the second research question, the study contributes new knowledge by identifying that existing research and literature have not examined whether any international differences can be identified in the factors that enhance employee motivation and engagement with the employer organisation, specifically in relation to geographical or cultural context.

An additional noteworthy observation is that the studies emphasised how various developments, such as globalisation, increasing diversity, digitalisation and the changing attitudes of new generations towards work, heighten the need to identify effective ways of motivating and engaging employees. The original studies reached similar conclusions with regard to reward practices: the aforementioned phenomena shaping working life increase the need to develop diverse reward approaches and underscore the significance of total reward. This further reinforces the necessity of examining the relationship between the different elements of total reward and employee motivation and engagement.

5.2 Future research opportunities

In light of the above conclusions, a need has been identified within the field to conduct research into whether international, regional, or cultural differences exist in the elements or forms of total reward that influence employee motivation and engagement. Furthermore, should such differences be observed, it would be essential to investigate the underlying causes of these variations in order to understand the causal relationships and to adapt reward systems to better meet individual needs in international contexts. The primary studies also revealed that regional and cultural factors do not necessarily exert a significant influence on how individuals perceive different forms of reward. This indicates that, in addition to the further research needs outlined above, there remains a need for studies that examine the extent to which these cultural and regional factors ultimately shape employees' experiences and whether notable international differences can be identified.

The original studies further emphasised the importance of employee engagement in a rapidly changing working environment, characterised by increasing digitalisation and greater workforce mobility. As these developments, and their implications for organisational expectations, are likely to intensify in the future, the need for additional research on the issues described above becomes even more pronounced. Beyond international dimensions, future research could also be extended to explore whether other factors, such as employee age, career stage or gender, influence how motivating or engaging different forms of reward are perceived to be. An indirect objective of researches of this nature would be to further develop organisational reward systems in a way that positively influences employee motivation and engagement. As both factors have been shown to contribute to the wellbeing of individuals and work communities, as well as to organisational efficiency and performance, the suggested research has the potential to yield far-reaching indirect benefits. Furthermore, the proposed research could contribute to a better understanding of individual diversity in the workplace, which is already an important intrinsic value.

5.3 Quality of the research and ethical considerations

The quality of the original studies included in this research has been evaluated in an earlier section. The present section assesses the overall quality and ethical rigour of the study in its entirety. First, the quality of the review is assessed, followed by a presentation of the ethical considerations related to the study.

5.3.1 Quality appraisal of the review

In general, the quality of research can be assessed by examining its validity describing the integrity of the conclusions drawn from the research: whether the study measures what it is intended to measure, or whether the results are influenced by the conditions under which the study is conducted. (Bell et al., 2022, p. 48; Sachdeva, 2008, p. 54–55; Saunders & Lewis, 2012, p. 127). As a concept, validity is sometimes also referred to as reliability, credibility or trustworthiness (Stewart & Hitchcock, 2020, p. 175). However, in the context of literature reviews, validity is typically examined by evaluating both the internal and external validity of the review, including an assessment of the decisions made throughout the various stages of the research process (Vilkka, 2023, p. 100, 104). Therefore, in this study, the validity of the review has also been assessed based on these elements.

Regarding the internal quality assessment of the review, particular attention has been paid to the quality of the review material, and its reliability, validity, and relevance in relation to the research question. As outlined in the Chapter 3, efforts have been made to enhance the quality of the review material throughout the identification and screening processes. This has been achieved, for example, through the careful and precise definition of search terms, strategy, and databases, as well as inclusion and exclusion criteria. Furthermore, a preliminary search was conducted prior to the main data collection, based on which these elements were adjusted as necessary. Although no strict requirements were imposed on the format of the material itself, the inclusion and exclusion criteria ensured that the studies selected for the review were both considered as reliable and valid in relation to the research questions. A more detailed description of the quality assessment of the review material is provided in Chapter 3.

In summary, regarding the first research question, the primary research is considered sufficiently reliable, valid, and relevant in relation to the aims and objectives of this study, its purpose as a master's thesis, and the research questions posed therein. Furthermore, the material is deemed appropriate for the intended outcome of producing a representative, narrative literature review. Concerning the second research question, the review material did address the question; however, the reliability of the results cannot be regarded with complete confidence, as the material did not include content that was directly relevant to the research question. This raises the possibility that the findings might have differed if the researcher had had access to a broader range of research databases. Nevertheless, the material used for the second research question is still assessed to be sufficiently reliable when considering the study's overall purpose and objectives. For both research questions, the findings are regarded as adequately reliable also because the study includes a description of the search strategy. Therefore, the results can be considered reproducible, as the same search strategy and research databases would likely yield comparable outcomes.

In addition to the aforementioned considerations, the internal quality of the review is further evaluated by examining other methodological choices and their appropriateness. No notable shortcomings were identified in this regard. Given that the aim of the review was to provide an accurate, albeit representative rather than exhaustive, overview of the research topic within its academic field, the internal quality is assessed through the significance of the research findings, both from a scientific and a practical perspective. Regarding the first research question, the findings are practically applicable in that they offer information on the components of total reward that contribute to employee motivation and engagement. Further, the findings reinforce existing knowledge about the topic. Therefore, the significance of the results is considered moderate in both academic and practical terms. In contrast, the findings related to the second research question reveal a gap in the existing research, thereby indicating a need for further research. Consequently, these findings are deemed to be of greater significance from an academic perspective. The practical applicability of the findings is limited, as the results do not provide insight into the types of differences identified in the factors that increase employee motivation and engagement in terms of geographical or cultural context. Overall, the review was not found to contain any errors or deficiencies that would compromise its internal validity.

With regard to external validity, the usability of the research findings was assessed, specifically, whether the study succeeds in producing results that address the topic it set out to investigate. For the first research question, the findings are considered to be applicable, since they provide a concise summary of the current state of existing research. The findings related to the second research question are also deemed applicable, as they highlight a gap within the existing research. In doing so, the findings directly address the research question and substantiate the need for further research into the topic. In conclusion, the study has yielded findings that effectively respond to both research questions, thereby achieving the overarching aims of the research.

5.3.2 Ethical considerations of the study

All research must be conducted ethically and responsibly (Walliman, 2011, p. 44–45), and as Cox (2020, pp. 199, 201) further clarifies, ethical conduct is essential at every stage of the research process. In practice, this requires the researcher to articulate clearly and transparently how the study was carried out and which techniques and methodological approaches were employed, as well as to present the research findings and conclusions in an open and comprehensible manner (Bell et al., 2022, p. 111). In the context of literature reviews, ethicality requires that data collection and research methods be selected based on the academic literature of the relevant field, the use of appropriate sources, and careful analytical procedures. As literature reviews are based on the examination of primary literature, ethical evaluation places particular emphasis on the researcher's sincere and respectful engagement with others' scholarly work, since original sources must be critically assessed in an appropriate manner, and the information they provide should be presented with due respect (Vilkka, 2023, p. 99–100). All these considerations have been considered in evaluating the ethical integrity of this review.

The research findings of this review have been presented objectively, without favouring any particular position or emphasis. The review aims to represent the information derived from the primary literature and the resulting findings in a fair and accurate manner, with due respect for prior research and literature. Ethical considerations have been reinforced throughout the data collection and analysis processes by maintaining detailed notes on the primary literature, thereby minimising the risk of errors in interpretation. Furthermore, source references have been applied with great care, and the reference list has been compiled carefully. No particular emphases or observations have been identified in the research findings that would require separate justification or disclosure. The author of the study has no specific affiliations or exceptional relationship to the subject matter, which has enabled the analysis and presentation of results to be carried out objectively. Consequently, no elements have been identified within the findings or conclusions that would compromise the ethical integrity of the study.

Furthermore, the type of review and the purpose of the study are defined in a way that ensured ethical implementation was feasible. According to Vilkka (2023, p. 99–100), ethical conduct in a literature review also entails the open disclosure of any potential challenges during the evaluation of the review. In this study, no such challenges were identified. The research transparently outlines the modifications made to the search strategy following preliminary literature searches and acknowledges the limitations concerning the reliability of the findings related to the second research question. Specifically, it is noted that access to a more comprehensive search database might have influenced the findings.

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Appendix

The use of artificial intelligence

In this study, artificial intelligence (later AI) was utilised for a few purposes. The only AI tool applied was Copilot. AI was employed particularly for language-related tasks. It was used to review the grammatical details and to strengthen text's academic tone and suitability for a master's thesis, as the language of the thesis is not the author's mother tongue nor the language of their formal education. The linguistic correction suggestions provided by the AI were carefully reviewed prior to any potential use. No text produced by the AI was therefore incorporated into the report without thorough, case-specific consideration of whether the proposed changes supported the purpose of the text. Furthermore, attention was paid to ensuring that the AI-generated suggestions did not alter the meaning of individual words, sentences, paragraphs, or the report as a whole.

In addition, AI was also used to enhance the fluency of the text, for example by identifying suitable synonyms and alternative expressions. The aim of improving fluency was to produce clear, comprehensible and a reader-friendly report. In this regard, particular attention was paid to ensuring that the author of the thesis understood the meaning of every word included in the final text unequivocally, and that the language used continued to reflect the author's writing style. For this reason, AI was not used to construct sentences; instead, it was utilised to refine existing sentence structures. Each suggested modification was carefully reviewed before being adopted.

AI was not used for any methodological or content-related purposes. AI was not, for example, employed in formulating the research purpose, questions or delimitations. Likewise, all methodological decisions were made without the assistance of AI. Further, AI was also not used for tasks such as identifying research sources, preparing background material, generating analyses or producing observations. No pre-existing text was fed into the AI tool for the purpose of combining or otherwise transforming it. Furthermore, AI was not utilised in the development of the research findings or conclusions.