Innovation in Compensation Payments

What Does the Future Hold for Compensation in Cryptocurrency?

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Abstract: The growing economic influence of cryptocurrency and the development of the associated infrastructure has brought about an interest in the new areas of its application. Payment of compensation in cryptocurrency is one such evolving application of cryptocurrency. Using a qualitative research design, we attempt to identify the factors and ecosystem constituents that play an important role in the diffusion, adoption and use of cryptocurrency as a compensation medium. A hybrid methodology involving both inductive and deductive methods of qualitative inquiry was used to develop the themes. The study identified nine main factors that influenced a participant's decision to accept compensation in cryptocurrency. They are: (1) the prospects of high return; (2) ease of transaction; (3) faster international transactions; (4) price volatility of cryptocurrencies; (5) threat of hacking; (6) taxation policies of the country; (7) lack of recognition as legal tender; (8) influence of peer groups; and (9) influence of celebrities. The inductive part of the study enabled the mapping of the major stakeholders involved in the decision, namely, the government, the employer, the peer groups of the employee, celebrities and the cryptocurrency-issuing company.

Keywords: Compensation in cryptocurrency, stakeholders, hybrid methodology, ecosystem, diffusion of innovation

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Introduction

Compensation systems have witnessed a paradigm shift in recent years, driven by technological advancements and evolving economic landscapes. One of the major trends in this area is compensation in cryptocurrency. Celebrities, sports persons, CEOs and politicians have been at the forefront of this trend (Dean, 2021; Martin *et al.*, 2023; Pandya & Rao, 2022). Several job postings in startups associated with cryptocurrency, crypto wallets, Metaverse, Web 3.0 and blockchain, have been announcing compensation in cryptocurrency to attract talented employees and freelancers. LaborX, Ethlance and Upwork are some of the platforms listing such jobs. In addition, payroll services for compensation in cryptocurrency have been rolled out by companies like Deel, Bitwage and Papaya Global (Pandya & Rao, 2022).

Although there is ample literature on the evolution, benefits and drawbacks of cryptocurrency, scholarly research is scarce on the use of cryptocurrency for employee compensation. Previous studies have explored the possibility of using cryptocurrency as a medium for compensation in public health research studies (Garett *et al.*, 2023) and service recovery efforts (Nazifi *et al.*, 2021). In matters of executive compensation, cryptocurrency has become a means for making the packages attractive (Brown, 2018; Pandya & Rao, 2022). The independent and decentralised nature of cryptocurrency makes it an attractive alternative for international payments and reserve currencies which in turn can aid in the creation of a single labour market with workers being paid in a single form without linking it to the existing system (Kale, 2022). Exploratory studies based on existing literature have explored the viability of using cryptocurrency as a medium for compensation (Martin *et al.*, 2023; Pandya & Rao, 2022). However, to the best of our knowledge, empirical studies on the viability of compensating in cryptocurrency are lacking.

Through this study, we undertake an empirical examination of the factors associated with the viability of compensation in cryptocurrency. For this study, we define cryptocurrency along the lines of Maese *et al.* (2016, p. 468) who describe it as "a medium of exchange that functions like money (in that it can be exchanged for goods and services), but unlike traditional currency, is untethered to, and independent from national borders, central banks, sovereigns, or fiats". The term compensation is used in this study to refer to the financial returns received by a person as a part of their employment and is inclusive of terms like salary, wages, remuneration and employment benefits.

The setting of our study is India. Emerging markets lead in grassroots cryptocurrency adoption (Chainalysis, 2021) and among these markets, India stands out with 97.5 million cryptocurrency owners (Chainalysis, 2023). With its young, tech-savvy population (Rajvanshi, 2023), India is also a major source of global gig talent, particularly in tech (NITI Aayog, 2022),

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and was the highest recipient of international remittances in 2022 (World Bank Group, 2023). Therefore, India provides an ideal setting for exploring the possibility of integrating cryptocurrency into compensation systems.

Using the lens of the Unified Theory of Acceptance and Use of Technology (UTAUT) (Venkatesh *et al.*, 2003), we explore the factors that encourage and deter participants from accepting remuneration in cryptocurrency. Adopting an innovation ecosystem perspective (Adner, 2006), we map the diverse set of stakeholders, who, according to the participants, would play an important role in the diffusion of the idea of compensation in cryptocurrency.

This study contributes to multiple streams of literature. Firstly, the study fills the gap of the lack of empirical studies in the area of employee compensation in cryptocurrency. Nine factors that governed the decision regarding compensation in cryptocurrency from an employee's perspective were identified. The factors, classified under positive and negative dimensions, offer a framework for developing cryptocurrency as a medium for compensation. Secondly, the two additional factors identified, namely the decentralised nature of cryptocurrency and anonymity, contribute to UTAUT literature. It shows how the unique features of cryptocurrency can have an influence over its acceptance as a medium for compensation. Thirdly, the study contributes to the diffusion of innovation and stakeholder literature by mapping out the stakeholders, who according to the respondents, exerted influence over their decision to accept compensation in cryptocurrency.

Literature Review and Development of Research Questions

Cryptocurrency and its applications

Cryptocurrency was designed to work on a decentralised peer-to-peer architecture, enabling transparent, quick, economical and irreversible transactions without relying on outside financial institutions (Nakomoto, 2008; Sas & Khairuddin, 2017). What makes cryptocurrency unique when compared to all other forms of currency, including fiat currencies, is the unique combination of three features – limited anonymity, independence from central authorities, and resistance to double spending attacks (Lansky, 2018). Today, more than 20,000 currencies are being actively traded in more than 600 exchanges with a market capitalisation of more than $1 trillion (CoinMarketCap, 2023).

Cryptocurrency has established a mainstream presence in the form of speculative instruments, hedges against weak currencies and potential payment instruments (Narain & Moretti, 2022). According to the European Banking Authority (2014), cryptocurrency can also be superior to fiat currencies in the cases of micropayments, international payments and payments in countries with unstable currencies. Despite the improvements cryptocurrency has made on

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the application side, the debate over whether cryptocurrency can carry out the functions of money as efficiently as fiat currencies continues. Yermack (2015) points out that for cryptocurrency to establish itself as a bona fide currency, it needs to become more stable.

While cryptocurrency has been able to fulfill the role of a medium of exchange, its high price volatility prevents it from functioning effectively as a unit of account and a store of value (Yermack, 2015). Bolt & Van Oordt (2020) attribute this volatility to the 'growing pains' of cryptocurrency as speculation abounds during the introduction stage. According to Schilling & Uhlig (2019), the price volatility of cryptocurrency, however, does not invalidate its medium-of-exchange function. It is expected that as the usage of cryptocurrency grows, its volatility will decrease and will be able to attract more market and economic influence (Baek & Elbeck, 2015). Therefore, it may be inferred that developing other avenues for cryptocurrency to act as a medium of exchange would free it from the label of a speculative instrument and thereby help stabilise its values.

Cryptocurrency as a medium for compensation payments

The term compensation, based on the context of its usage, can have different meanings. According to the Cambridge Dictionary (n.d.), the term compensation can refer to "money that is paid to someone in exchange for something that has been lost or damaged", "something that makes you feel better when you have suffered something bad", or "the combination of payment and other benefits that an employee receives for doing their job". Garett *et al.* (2023) explored the possibility of adopting cryptocurrency as a form of compensation in public health research studies due to its associated anonymity, security, and convenience. Nazifi *et al.* (2021) pointed out the possibility of using cryptocurrency as a compensatory option in the event of service failure. Both of these are instances of compensating for inconvenience or damages. But in this study, we are mainly concerned with the third type of compensation, which is the payments received for doing a job.

When it comes to accepting compensation in cryptocurrency, it was observed that individuals with a high risk-seeking attitude and who belonged to high-income groups were more likely to choose to receive a portion of their compensation in cryptocurrency (Sridharan *et al.*, 2023). Cryptocurrency was also found to make executive remuneration packages attractive, increase transparency of the compensation process and reduce administrative costs (Brown, 2018). On the other hand, the price volatility and absence of supporting institutional infrastructure make it difficult to mainstream them as a means for paying executive remuneration (Brown, 2018). Increased globalisation has created the concept of an international workforce, where talent can be hired from any corner of the world. According to Kale (2022), the independent and decentralised nature of cryptocurrency makes it an ideal medium for compensating an

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international workforce and can thus aid in the creation of a single labour market globally. Martin *et al.* (2023) and Pandya & Rao (2022) explored the viability of cryptocurrency as a medium for payment of compensation to employees. These studies, both of conceptual and exploratory nature, listed the probable reasons that make cryptocurrency a good medium for payment of compensation.

Theoretical Framework

The strength of cryptocurrency lies in its backing technology. According to White *et al.* (2020), the behaviour of Bitcoin, the most representative of cryptocurrencies, resembles that of a technology product. Therefore, we use the UTAUT framework as the lens to examine the concept of acceptance and use of cryptocurrency as a medium for compensation. Among the numerous theories on user acceptance of technology, UTAUT is the most widely recognised framework for understanding and predicting the adoption of new technologies in organisational settings (Venkatesh *et al.*, 2003). Several studies on the adoption of cryptocurrency have used the UTAUT framework to study the process (Cheng, 2020; Gunawan & Novendra, 2017; Nseke, 2018). The theoretical model of UTAUT suggests that the actual use of technology is determined by behavioural intention, which depends on four key constructs: performance expectancy (the degree to which an individual believes that using the system will help one to attain gains in job performance), effort expectancy (the degree of ease associated with using the system), social influence (the degree to which an individual perceives that important others believe they should use the new system), and facilitating conditions (the degree to which an individual believes that an organisation's technical infrastructure exists to support the use of the system) (Venkatesh *et al.*, 2003). Using the UTAUT framework as a guide, we addressed the research question: What are the factors that affect a person's decision to accept compensation in cryptocurrency?

Particularly:

(1) What aspects of cryptocurrency encourage a person to accept compensation in cryptocurrency?

(2) What aspects of cryptocurrency deter a person from accepting compensation in cryptocurrency?

(3) What are the other environmental influences that can affect a person's decision to accept compensation in cryptocurrency?

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Methodology

Research design and tool

We adopted a post-positivist perspective for this study, employing a qualitative research design based on purposive sampling and semi-structured interviews. The study deals with a fairly novel phenomenon with limited literature support. Semi-structured interviews owing to their flexibility are apt to bring out themes latent in the participants' psyches. Approval from the ethics committee was obtained from the final author's affiliated institution before embarking on the data collection. Before the interview, the participants were briefed about the confidentiality of their responses and that their participation was voluntary. The interviews were led by framing prompts to gauge the knowledge level of the participants about cryptocurrency, their attitude towards the concept of compensation in cryptocurrency, and the factors that made the concept of compensation in cryptocurrency attractive to them.

Participants

One of the aims of a qualitative research design is to collect high-quality, meaningful data from a small number of respondents who are most qualified to respond to the study topic (Patton, 2014). Hence, purposeful sampling was employed to identify respondents with fairly good knowledge about cryptocurrency and its functioning. The data collection, in the form of semi-structured interviews, was carried out from March 2022 to July 2022. The inclusion criteria were set to include those who have owned and traded in cryptocurrency. The rationale behind the inclusion criteria was to ensure that the sample consisted of people who understood the functioning and the risks associated with cryptocurrency. Participants consisted of two females and 16 males in the age group of 17 to 50. The average age of the participants was 30 years. Their experience with cryptocurrency ranged from one to five years. Table 1 lists the demographic details of the participants.

The first part of the interview schedule was dedicated to ensuring that the participants had the requisite knowledge regarding cryptocurrency to take part in the study. Eleven out of 18 respondents stated that they had first heard of cryptocurrency from the Internet. Twitter, YouTube videos, websites of exchanges and podcasts were their main sources of information. They described themselves as the pioneers in their respective groups to embark on the cryptocurrency trail and were not influenced by their peer groups. The remaining seven respondents stated that they were introduced to the concept of cryptocurrency by their friends. Seventeen of the respondents have actively traded in cryptocurrency. The only exception was an academic. He was included in the study as he is researching the area of cryptocurrency and gives many talks on the subject. Sixteen of the respondents stated that the only cryptocurrency

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transaction they have ever done is trading. One of the respondents stated that he had received his salary in cryptocurrency. Based on their responses it could be inferred that our respondents were fairly knowledgeable about cryptocurrency markets.

Data collection

The data collection was conducted through telephonic interviews. A comfortable time was fixed with respondents when they could get involved in the conversation and interviews were conducted with the help of schedules. The interviews ranged from half an hour to one hour. Data collection was concluded after 18 interviews, at the point of theoretical saturation, which serves as a crucial gauge of the sufficiency of our sampling. Theoretical saturation signifies the juncture in our data collection process where no additional issues or insights emerge, and the data start to reiterate themselves, signifying that our sample size is deemed adequate (Bryant & Charmaz, 2007; Sandelowski, 1995).

Table 1. Demographic data of participants

Participant No.	Gender	Age	Experience with Cryptocurrency (years)	Profession
1	Female	33	3	Assistant Professor
2	Male	38	5	Finance Consultant
3	Male	37	3	Consultant
4	Male	41	4	Entrepreneur
5	Female	32	4	Entrepreneur
6	Male	32	3	Content Writer
7	Male	23	2	Graduate, Job Seeking
8	Male	27	3	Freelance Consultant
9	Male	26	2	Graduate, Job Seeker
10	Male	42	3	Associate Professor
11	Male	31	3	Research Scholar
12	Male	22	2	Graduate, Job Seeker
13	Male	50	5	Professor
14	Male	32	3	IT Engineer
15	Male	17	2	Student
16	Male	21	2	Postgraduate
17	Male	24	2	Postgraduate
18	Male	21	2	Postgraduate

Data analysis

Defined as a method for "identifying, analysing and reporting patterns (themes) within data" (Braun & Clarke, 2006), thematic analysis is one of the foundational methods in qualitative analysis. It is a method that accords great flexibility and space for 'theoretical openness and interpretation", making it an apt mechanism for exploratory studies (Braun & Clarke, 2006).

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For this study, we have adopted a hybrid approach, bringing together inductive and deductive streams of thematic analysis (Fereday & Muir-Cochrane, 2006; Selvam & Collicutt, 2012). Underpinning this approach is the belief that a researcher does not approach data "tabula rasa", but with a "pre-understanding" which functions as a starting point of interpretation (Gadamer & Risser, 1979; Selvam & Collicutt, 2012; Laverty, 2003). This pre-understanding serves as a template for deducing the themes. The deductive process of theme identification is followed by an inductive process of assimilation, where it is observed whether the findings call for a reformulation of the theoretical template (Selvam & Collicutt, 2012). This process is described as the hermeneutic circle (Gadamer & Risser, 1979; Selvam & Collicutt, 2012).

We adopt the four-step model of Selvam & Collicutt (2012), which is an adaptation of Fereday & Muir-Cochrane's (2006) model created by bringing together Crabtree & Miller's (1992) deductive template analytic technique and Boyatzis's (1998) inductive approach to coding. The process involves the identification of the coding template, identification of the data set, analysis of the data using the coding template, and examination of the identified themes and their significance within the context of the coding template (Selvam & Collicutt, 2012).

We started by embracing the framework of a unified theory of acceptance and use of technology or UTAUT (Venkatesh *et al.*, 2003) and deriving a coding template (Crabtree & Miller, 1992) based on it. The coding template consisted of the four constructs of UTAUT.

The data analysis was carried out simultaneously along with the data collection process. We employed a framework analysis (Ritchie & Spencer, 1994; Ritchie & Spencer, 2003; Kiernan & Hill, 2018) for the first part of the data analysis. Framework analysis involves the creation of a series of thematic matrices wherein each participant is allocated a row and each sub-theme a column (Ritchie & Spencer, 2003; Kiernan & Hill, 2018). According to Ritchie & Spencer (1994), the five stages of framework analysis are familiarisation, developing a thematic framework, indexing, charting and interpretation. We set about an intensive process of getting familiarised with the data as soon as six interviews were completed. This was followed by the creation of an initial thematic framework based on the coding template and designing an index. The probable sub-themes were arrived at by revisiting the objectives and looking for recurring themes in the data set as suggested by Pope *et al.* (2000). After the completion of this step, we continued with the data collection, simultaneously, refining the themes, and carrying out the indexing and sorting process. The indexing process enabled better visualisation of the data and signalled data saturation after about 12 interviews. To be on the safe side we continued up to 18 interviews, but no new themes emerged. Our sample consisted of people who had a fairly good knowledge of cryptocurrency. There was an element of homogeneity among these groups and their thinking patterns, which probably led to theoretical saturation quickly. The concept of cryptocurrency can be still said to be at the early

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adopter stage in India. Therefore, we believe we could not have achieved any more diverse opinions even if we persisted with the interviews.

After tabulation of our findings in the framework matrix, we found that the data collected through the interviews had much more insights to offer. The participants were particularly vocal about what they expected from various stakeholders in the cryptocurrency ecosystem who would have a role in mainstreaming remunerations in cryptocurrency. We felt that these themes were better captured in the participants' own words and hence used an inductive open coding approach in this part of the data analysis. The analysis yielded two groups of stakeholders who we classified as facilitators and influencers.

Findings

Findings of the thematic framework analysis

Overall, the findings of the qualitative inquiry indicate that the participants were not ready to accept their full compensation in cryptocurrency. However, some of them were willing to accept a small part of their salary, or perks and fringe benefits in cryptocurrency. These sub-themes arrived at from the data were classified under the UTAUT constructs in the framework matrix. Some of these themes were positive, which made the participants consider their compensation in cryptocurrency favourably. Prospects of high return under the performance expectancy construct, ease of transaction, and faster international transactions under the effort expectancy construct were identified as positive factors that encouraged the participants to consider remunerations in cryptocurrency. Volatility and threat of hacking under performance expectancy, taxation policies in India, and lack of recognition as legal tender under the facilitating conditions construct were identified as negative factors that made the participants sceptical about accepting remuneration in cryptocurrency. The sub-themes under the social influence construct, influence of peer groups, and celebrities could not be classified as positive or negative as some viewed them positively, while others viewed them negatively.

In addition to the factors under the four UTAUT constructs, we identified two more factors that excited or deterred the participants from accepting their compensation in cryptocurrency. The first of these, a decentralised system of transactions, was viewed favourably by the participants and hence classified as an enabler. Decentralisation refers to the transfer of supervision and decision-making from a centralised association (individual, corporation or group of people) to a dispersed network (Bhalla, 2022). It is antagonistic to the existing system of centralised control of the economic system in the countries. The second factor which the participants viewed negatively was anonymity. It made them feel like they were involved in something shady. Hence, it was considered as a deterrent factor.

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Table 2. Thematic framework analysis

Participant	Performance Expectancy			Effort Expectancy		Social Influence		Facilitating Conditions		Other Factors	
	Prospect of high return	Volatility	Threat of hacking	Ease of transaction	Faster international transactions	Influence of peer group	Influence of celebrities	Not legal tender	Taxation policies in India	Decentralised currency	Anonymity
1	✓	✓	✓		✓	✓		✓		✓	
2				✓	✓			✓	✓	✓	
3			✓	✓	✓	✓		✓	✓		
4		✓			✓			✓		✓	
5		✓		✓				✓			
6	✓	✓	✓	✓	✓			✓		✓	
7	✓	✓	✓	✓				✓		✓	
8	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
9	✓	✓		✓	✓			✓	✓	✓	
10	✓	✓	✓	✓		✓		✓	✓	✓	
11	✓	✓	✓					✓	✓	✓	
12	✓			✓					✓	✓	✓
13	✓	✓	✓	✓	✓				✓	✓	✓
14	✓	✓	✓				✓			✓	✓
15	✓	✓	✓	✓	✓			✓			✓
16	✓	✓	✓						✓		
17	✓	✓	✓			✓	✓	✓			
18	✓	✓							✓		

Findings of the inductive open coding analysis

The inductive process of open coding helped us categorise two groups of stakeholders, who according to the participants had a significant influence over the decision of the respondents in accepting their compensation in cryptocurrency. The first group consisted of the facilitators, who were responsible for creating a conducive atmosphere for accepting compensation in cryptocurrency and the second group consisted of influencers who could influence their decision to accept compensation in cryptocurrency. The facilitators were the government, cryptocurrency issuers, and employers and the influencers were peer groups and celebrities.

The government

Cryptocurrency was conceived with the idea of breaking free from the governmental control of the financial system. There have been numerous instances where bad policy decisions by the government have brought down a completely healthy economy. However, the fear of losing

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control has prompted governments to produce many types of regulations to try and rein in the growth of cryptocurrency in their countries. Such regulations range from not accepting the legal status of cryptocurrency to imposing high taxes to stifle its growth. Our study also echoed the same concerns from the participants.

According to the participants, the first major hurdle in normalising salary/remunerations in cryptocurrency was its legal status in the country. Accepting cryptocurrency as a legal tender and recognising it as a digital asset by the government would make it more acceptable as a salary payment mode. The respondents emphasised that the major issue was the capital gains tax of 30 per cent and the tax deduction at source imposed on cryptocurrencies.

The respondents stated that:

> *I cannot take my salary in cryptocurrency as it is not a legal tender here in India. I cannot go to a shop and say, "Here are 100 cryptos, please give me a shirt!"*
>
> *Once the government gives more clarity regarding cryptocurrency, I am absolutely 100 per cent open to accepting all my future payments in cryptocurrency. The government still views cryptocurrency as a sort of gambling…instead, they should recognise it as a digital asset.*
>
> *The way that the government is trying to tax 30 per cent is not something that anyone who loves the technology desires. I do not have any problem paying taxes, but 30 per cent tax is too much.*

Cryptocurrency issuers

The participants in our study reported that they do not feel comfortable accepting salary in just any cryptocurrency and wanted to have a say in choosing the currency in which the salary was paid. It was important to them that the cryptocurrency in which they were being paid had a strong market cap and good project backing.

Some of the respondents said that they even looked into the algorithm of the currency and would go to certain forums where people with good coding expertise ensured that there were no 'rug pulls' in the algorithm of the currency they were dealing with.

> *When I deal with a cryptocurrency, I need a lot of information about it. When I hear about a new cryptocurrency, I go to the websites and look for information about its founders and check the credentials of the founders. When evaluating a crypto (currency), I look if it has a particular use case, whether it solves a problem, and whether it will last for the next five years. Then there is the case of supply. Some coins have a supply of billions. Having such coins is not worth it. You have to analyse a lot of things regarding cryptocurrency.*

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The respondents felt that the amount of information required to analyse the credibility and growth potential of a cryptocurrency is very high. Therefore, they felt that salary payments, if made, should be done using cryptocurrencies with good market cap or those they were familiar with and comfortable with. They also preferred to have coins that had their blockchain than tokens.

Employers

Respondents thought that employees must have the freedom to choose whether to accept their salaries in cryptocurrency or not.

> *Employers must first create awareness among their employees about cryptocurrency. All the employees will not be familiar or comfortable with it.*

They wanted the employers to provide them with a choice of multiple cryptocurrencies to choose from and also have mechanisms to take into consideration the volatility of the cryptocurrency exchange rates when offering salary/remuneration in cryptocurrency.

> *Since cryptocurrencies are a bit volatile, it would be better if the employer takes an average of 30 months to determine the exchange rate.*
>
> *Will accept a salary in cryptocurrency, but it should be a currency that I prefer. Their company should offer a choice of multiple cryptocurrencies and the employee should be able to choose the currency in which they would like to receive their salary.*

Peer groups

Respondents had varied opinions regarding the influence of peer groups. It was observed that those who got to know about cryptocurrency directly from the internet and were in the habit of gathering information about cryptocurrency on their own using websites and other online resources, stated that they would not be influenced by their peer group's decision to take salary in cryptocurrency.

> *I don't think I will be influenced by my peer group. Instead, I might be the one making the first move towards accepting my salary in cryptocurrency.*

Those who had stated that they started transacting in cryptocurrency after being introduced to it by friends, said that they would follow suit if their peer groups started accepting salaries in cryptocurrency.

> *My friend introduced me to the world of cryptocurrency. So, if someone like him is ready to accept salary in cryptocurrency, I will also be motivated to do the same. If more people are doing it, I will feel more comfortable.*

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Celebrity influence

Before the crypto winter, it was common to find celebrities openly endorsing cryptocurrency and announcing that they accept their remunerations in cryptocurrency. The influence of celebrities also became a point of discussion when it came to accepting salary/remuneration in cryptocurrency. A few of the participants were vocal about how the likes of Elon Musk had influenced their decisions on cryptocurrency trading. Such celebrities, some of whom lend their celebrity status to cryptocurrency, are referred to as crypto-tastemakers and their actions often have repercussions on the cryptocurrency prices.

However, our study showed that only three out of 18 participants admitted to being influenced by celebrity choices as far as remunerations in cryptocurrency were concerned. Most of the participants of our study felt that celebrities endorsing cryptocurrency had personal motives behind it and were thus not convinced by such endorsements.

> *I am a big fan of Elon Musk and have been following him for the last three to four years. I think that celebrities choosing to take remuneration in cryptocurrency will influence many.*
>
> *It is a welcome sight to see celebrities coming forward to accept their remunerations in cryptocurrency. But other than that, I do not feel they have any influence on my decision to accept a salary in cryptocurrency. If a celebrity is endorsing a cryptocurrency, they must be getting some benefit out of it. I do not go behind someone who is shilling a particular currency on social media.*

Discussion

The present study was designed to determine the factors influencing a person's decision to accept compensation in cryptocurrency. The study identified factors from two different perspectives. The first perspective was based on cryptocurrency and its features, and the second was from the standpoint of the ecosystem surrounding it. The nine important features of cryptocurrency that influenced compensation in cryptocurrency were: (1) The prospects of high return; (2) ease of transaction; (3) faster international transactions; (4) price volatility of cryptocurrencies; (5) threat of hacking; (6) taxation policies of the country; (7) lack of recognition as legal tender as deterring factors; (8) influence of peer groups; and (9) influence of celebrities. In addition to these, two features of cryptocurrency – its decentralised nature and associated anonymity – also figured in the list of important factors.

The findings of this study provide empirical backing to the studies of Martin *et al.* (2023) and Pandya & Rao (2022). However, some factors such as being employed in a cryptocurrency firm, the arrival of stablecoins, a sense of empowerment regarding the choice, etc. did not

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appear in the themes identified. This could be an indication that these factors do not figure among the most important deciding factors. It could also be an indication of a hierarchy among the factors identified, with each factor influencing the decision to different extents. Further studies could explore the possibility of ranking the influence of each factor involved in the decision of compensation in cryptocurrency.

The ideological standpoint which, according to existing literature (Martin *et al.*, 2023; Pandya & Rao, 2022), could influence the decision to accept compensation in cryptocurrency is reflected in the participants' desire for a decentralised financial system. However other ideological viewpoints like cryptocurrency's ability to reduce global inequality, resentment of the employees towards the rate of increase in wages lagging behind the inflation rate, etc. were not reflected in the responses garnered by this study. Therefore, there is abundant room for further progress in exploring the role of various ideological viewpoints on the idea of compensating in cryptocurrency.

In addition to the decentralised nature of cryptocurrency, the anonymity accorded by it also figured among the factors affecting the decision. Privacy is one of the most important features of cryptocurrency, and anonymity is considered as a desirable requirement (Li *et al.*, 2019). However, the responses received during the study highlight anonymity in the context of compensation in cryptocurrency as a negative factor. The participants tried to distance themselves from the anonymity part of cryptocurrency and one of the common reasons was the feeling that they were involved in something shady. This finding provides a contradiction. On the one hand, anonymity is considered a desirable trait in cryptocurrency, and on the other, accepting it as compensation for work appears shady. This delicate balance between anonymity, privacy and legitimacy in the context of compensation warrants academic attention and may be explored in future studies.

This study also resulted in the mapping and classification of the most important stakeholders in the decision to accept compensation in cryptocurrency. According to the participants, the government, the employer, the cryptocurrency issuer, peer groups and celebrities were the stakeholder groups in the ecosystem surrounding cryptocurrencies that could influence their decision. According to the diffusion of innovation theory, one of the primary elements in the diffusion process of a new idea or innovation is the social system surrounding it (Rogers *et.al.*, 2014). The stakeholders embedded in the social system surrounding the idea of compensation in cryptocurrency would thus play a seminal role in the adoption of the concept. According to existing studies, endorsement by celebrities and governments had a positive effect on Bitcoin prices (Ullah *et al.*, 2022). Similarly, the sentiments of cryptocurrency issuers displayed over platforms like Twitter had a direct effect on cryptocurrency trading volume and returns (Zhang & Zhang, 2022).

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Conclusion

This study is an empirical examination of the factors associated with the feasibility of compensation in cryptocurrency through the lens of UTAUT. Using a hybrid approach combining inductive and deductive thematic analyses, we identified the key factors influencing the decision to accept compensation in cryptocurrency. The participants considered cryptocurrency compensation to be attractive due to its high return prospects, ease of transactions and speed of international transactions. Volatility and the threat of hacking, however, emerged as significant deterrents, casting doubt on the reliability and security of cryptocurrency compensation. In addition, the lack of recognition of cryptocurrency as legal tender, its decentralised nature, anonymity and the restrictive taxation policies in India added to the scepticism and reluctance of participants regarding the acceptance of cryptocurrency compensation. The study also mapped out the primary stakeholders – categorised into facilitators and influencers – who influenced the respondents' choices regarding the acceptance of cryptocurrency as compensation. Governmental bodies, cryptocurrency issuers, employers, peer groups and celebrities were the key actors involved.

This study has several limitations. Firstly, data was collected only through interviews, which may introduce biases or subjective interpretations. Further, the interviews were conducted with only 18 participants who had a fairly good knowledge of cryptocurrency. This might limit the generalisability of the findings to broader populations. Finally, the rapidly evolving nature of cryptocurrency technology and regulations may render some findings outdated or less relevant over time. Future research should aim to address these limitations through larger and more diverse samples using mixed-method approaches. Longitudinal studies tracking changes in attitudes and behaviours toward cryptocurrency adoption can provide valuable insights into evolving trends and dynamics. Future research can also explore in detail the risk management practices, the political and social implications of cryptocurrency adoption, and the role of peer influence and celebrity endorsement in influencing decisions regarding compensation in cryptocurrency.

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