



**Cape Peninsula
University of Technology**

Investment into talent management and its influence on the retention of key talent employees: a case study of a department in the Western Cape provincial government

by

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DECLARATION

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ABSTRACT

A quality public service demands total quality management (Paramasur, 2010:540). South African organisations, especially the public service, face challenges to attract and retain key talent employees with the right skills match towards achieving the organisation's long term strategic objectives.

According to Thomas (2003), it is difficult to keep employees happy; therefore, the key is to find out what matters most to organisational staff. This is because what makes employees satisfied could lead to enhanced productivity and efficiency. Therefore organisations should take the responsibility to address the problem by investing in talent management, and implementing talent management strategies to influence key talent retention.

The Department of Economic Development and Tourism (DEDAT) is a Western Cape provincial department. DEDAT's main strategic objective is to facilitate economic growth and jobs in the Western Cape economy. This requires the right key human talent to achieve its strategic objectives, and goals in the short and long term within the public service environment.

The research study strives to determine variables that should be considered in the talent management strategy of DEDAT, which have been identified by key talent and, therefore, will likely exert influence on the retention of key talent employees within DEDAT. The population consisted of managers within DEDAT and included key talent employees on the employment skills level from middle management (Deputy Director salary level 11 to 12) to senior management (Director salary level 13 to Head of Department salary level 15) employees.

An adapted questionnaire, based on the research of Birt, Wallis and Winternitz (2004), was used to assess the investment into talent management and the retention of talented employees within DEDAT, a department in the Western Cape provincial government.

A convenience sample of forty-seven (47) participants was targeted for this research study, which yielded forty-three (43) responses. The results suggest that some critical factors impact on retention, with significant age and gender differences with respect to critical retention factors.

These results are juxtaposed against previous research findings, while strategies are offered to ensure that efforts are made to retain core talent, and implications for DEDAT are discussed. While the methodological implications of using a small sample, based on the method of convenience sampling are discussed, and the use of a positivist approach presents some limitations, the results provide some tentative insights into some of the more salient factors, which influence retention for employees who participated in the survey.

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DEDICATION

This thesis is dedicated to my late grandmother, Elaine Peters, and my son, Liam Parker.

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GLOSSARY

Management is generally a team of individuals at the highest level of organisational management who have the day-to-day responsibilities of managing a corporation. There are most often higher levels of responsibility. A person who allocates human, material and information resources in pursuit of an organisation's goals (Hellriegel, Jackson & Slocum 1999:7).

Talent is a recurring pattern of thought, feeling or behaviour that can be productively applied. Intellectual ability, natural or acquired; mental endowment or capacity; skill in accomplishing; a special gift, particularly in business, art, or the like. The potential or factual ability to perform a skill better than most people (Buckingham & Coffman) (Simon & Schuster, 1999).

Talent Management is an organisational mindset that seeks to assure that the supply of talent is available to align the right people with the right jobs at the right time, based on strategic business objectives (Baum, 2008: 720).

Motivation involves processes that account for an individual's intensity, direction and persistence of effort towards attaining a goal. The three key elements include intensity, direction, and persistence (Robbins, 2001:155). The reason or reasons for engaging in a particular behaviour, especially human behaviour, as studied in psychology and neuropsychology. These reasons may include basic needs such as food or a desired object, hobbies, goal, state of being, or ideal. Motivation is the concept that we use when we describe forces that act on or within an individual to initiate and direct behaviour. We use the concept to explain differences in the intensity of behaviour and also to indicate the direction of behaviour (Gibson *et al.*, 2009: 130).

Intrinsic motivators refer to motivation that comes from inside an individual rather than from any external or outside rewards, such as money or grades. The motivation comes from the pleasure that one gets from a task, or from the sense of satisfaction when completing or even working on a task (Bainbridge, n.d).

Extrinsic motivators refer to motivation that comes from outside an individual. The motivating factors are external, or outward, rewards such as money or grades. These rewards provide satisfaction and pleasure that the task itself may not provide (Bainbridge, n.d).

Retention is defined as being able to hold, contain or to keep one's possession. Not able to lose or dismiss. Ways of managing and retaining talented employees by using innovative retention programmes is defined as being able to hold, contain or to keep one's possession. Not able to lose or dismiss ways of managing and retaining talented employees by using innovative retention programmes (Phillips & Connell, 2003).

Need is defined as a deficiency or lack of something of value that an individual experiences at a particular point in time. Deficiencies may be psychological (for example, need for food), psychological (for example, need for self-esteem), or sociological (e.g. a need for social interaction). Needs are energizers or triggers of behavioural responses (Gibson *et al.*, 2009: 131-132).

Public sector is defined as the part of the economy that provides basic government services (government departments, parastatals, provincial government and municipality (www.investorwords.com)).

The Provincial Government of the Western Cape works in co-operation with the National Government to create laws for, and to provide services for people in the Western Cape. The Western Cape Government promotes freedom and opportunity for all the people of the province (www.capegateway.co.za).

The Department of Economic Development and Tourism is a provincial department within the Provincial Government Western Cape (PGWC). The Department provides leadership to the Western Cape economy through the Departments understanding of the economy, its ability to identify economic opportunities and potential, and its contribution to government economic priorities (Department of Economic Development and Tourism Annual Performance Plan, 2011-2012).

CHAPTER ONE

INTRODUCTION, PROBLEM STATEMENT AND OUTLINE OF RESEARCH STUDY

1.1 Introduction

In an era of increasingly intense competition for talented human resources at all levels of an organisation's hierarchy, procuring and selecting the suitable employees for the right jobs require proactive selection and development strategies, and hence is strategically important for organisations (du Plooy & Roodt, 2013). Making sound hiring and promotion decisions demand thoughtful judgement, which is grounded in a thorough assessment of all factors that are known about a current or potential employee (Guerrier & Riley, 1992).

The complexities of technological innovations and the shifting of business models are continually compelling organisations to attract, retain and develop the most appropriate employees (Rees & McBain, 2004:100; Sparrow, Brewster & Harris, 2004:120).

Against this backdrop, it is becoming apparent that leadership has to cope with the demands of hyper turbulent and dynamic environments, which are increasingly being based on flatter structures, and more democratic styles of leadership. Lewis, Goodman and Fandt (1998, cited by Beeka, 2006: 26) maintain that organisations "are faced with a condition of rapid, dramatic, complex and unpredictable change that has a significant effect on the ways in which organisations are managed".

Talent management is increasingly gaining momentum and becoming a global phenomenon, and human capital is an asset and a critical resource that must be managed and developed (A Knowledge Infusion White Paper, 2006:5). In the public sector, in general, and in South Africa, in particular, the new managerial approach is to view talent management as an innovative tool that must be embedded into the work culture and ethos (Pillay, Subban & Qwabe, 2008: 308).

Presently, senior executives face many challenges such as sustaining top-line growth, adapting to change, enabling entrepreneurship, controlling costs, finding opportunities for expansion, developing the next generation of leaders, and transferring knowledge

and best practices in an organisation (Hattingh, 2007:16). They are also expected to be practitioners and be protagonists of change and diversity. Therefore, they require a varied skills set that is different from that of the past, while businesses should revolutionise their thinking and approach to talent management by focusing on talent retention (Hattingh, 2007:16).

South Africa is rapidly losing skilled employees owing to the absence of strategies to retain their services, which has resulted in the growth of companies and the South African macro economy being limited. This international tendency is also evident on national level where companies compete for services of a limited number of skilled employees (Bennett, 2000). In order for South Africa to compete effectively in the global market, it requires motivated, skilled and productive employees (Paramasur, 2010:540).

Swanson (2001), Lynam (2000) and Holton (2000) (cited by Ramlall, 2004: 60) reiterate the need for business practices to be theoretically grounded, so even though a combination of employee retention efforts may have been successful in particular organisations, there is an imperative need for researchers and practitioners to build such practices from a sound theory with an aim to develop and implement employee retention practices that are based on established motivation theories.

Ramlall (2004) describes the importance of retaining critical employees and explains how employee retention practices can be more effective by identifying, analyzing, and critiquing employee motivation theories and showing the relationship between employee motivation and employee retention. Furthermore, Hale (1998) states that 86% of employers were experience difficulty to attract new employees and 58% of organisations claim that they experience difficulty to retain their employees.

Of cardinal importance is the significant economic impact on an organisation when it loses of its critical employees, especially when knowledge is lost with the employee's departure. Toracco (2000) maintains that although knowledge is now recognized as one of an organisation's most valuable assets, most organisations lack the supportive systems that are required to retain and leverage the value of knowledge. The prevailing mode of work has shifted to empowerment, collaboration and teams. These changes

mean that managers should shift from 'managing' people to 'helping people manage themselves and the business' (Paramasur, 2010: 521-522).

One of the most important goals that institutions and their members try to achieve is to provide some kind of goods or services that customers desire (Jones, George & Hill, 2000:5). Organisations that focus on intrinsically important variables are considered to benefit by engendering an increased level of affective commitment amongst talent (DeConnick & Bachmann, 1994); (Meyer & Allen, 1997); (Michand, 2001). This is exhibited in behaviours and attitudes such as strong beliefs in and acceptance of the values and goals of an organisation, a willingness to exert effort for the benefit of the organisation, and a desire to remain with the organisation (du Plooy & Roodt, 2013).

Retention of talented employees continues to be a big problem for a large number of employers, thereby constantly challenging HR practitioners to formulate innovative strategies that will not only attract talent, but equally retain them in order for these employees to help to achieve organisational goals and objectives. Bagraim, Schultz, Potgieter, Viedge & Werner (2008) highlight that several managers regard South African employees as poorly motivated, however this claim can be viewed as unfair as it does not echo the responsibility and influence that managers have to create a motivated workforce.

In addition, because of limitations of fixed salary structures, absence of a succession system and increased competition for skilled staff, government institutions are at a disadvantage, as the above-mentioned encourages employees (skilled employees, which include senior managers) to seek employment opportunities in the private sector.

An understanding of motivation is important because high levels of motivation are significant contributors to exceptional performance. Managers prefer highly motivated employees because they strive to find the best way to perform their jobs. Motivated employees are interested in producing high-quality products or services; they are more likely to be productive than non-motivated or apathetic employees (Gibson, Ivancevich, Donnelly & Konopaske, 2009:130).

That the issue of employee motivation remains a crucial one in most institutions was confirmed by an extensive survey which was conducted to determine the perceptions of employees and their supervisors regarding employee motivation. It was found that the greatest lack among managers was their ability to accurately perceive factors that motivate their employees (Kovach, 1995). The question of what management can do to create an environment in which employees can be motivated to a high level of performance, therefore, requires management's attention (Stroh, 2001:59).

Vermeulen (2007) specifies in particular the challenges faced by human resource management in public institutions in terms of retention, a shortage of skilled people and a high turnover of staff due to mobility. It is therefore imperative for public institutions to manage talent effectively in order to respond to and address challenges.

The above highlights emphasis on the retention of talented employees within the private and public sector. Within the turbulent economic cycle, job security is an important priority for employees within the working world. The public service provides job opportunities for thousands of public servants. A brief outline of how motivators can influence key talent employees within the public service environment is important in order to gain an understanding of their working environment within a non-profit and service orientated context.

1.2 Background of research problem

Masibigiri and Nienaber (2011:2) define retaining talent as the “employer’s efforts to create an environment that engages employees for the long term and ensures that they keep desirable employees in order to meet business objectives.”

According to Dockel, Basson and Coetzee (2006), the future workforce is becoming more educated with a higher degree of professionalism and a reduction in the loyalty employees feel towards their employing organisation. Past employment relationships based on mutual commitment between employer and employee are no longer the norm in the marketplace (Birt, Wallis & Winternitz, 2004).

Past employment relationships, which are based on mutual commitment between employer and employee are no longer the norm in the marketplace (Cappelli, 2000b; Flood, 2002); (Birt, Wallis & Winternitz, 2004).

It has, therefore, become important to be mindful of the changing nature of the modern employee. The New Age employee increasingly appears to value flexibility and places equal importance on work and family life. Employees are also changing jobs more frequently and looking to explore new challenges more openly. It has become a reality that if their existing employer cannot provide this in a short space of time, movement to another organisation is almost inevitable (du Plooy & Roodt, 2013). Similarly, Dockett *et al.* (2006) agree that a revolutionary change in the world of work has resulted in the nature of work becoming more flexible and boundaryless.

Gaylard, Sutherland and Viedge (2005) believe that organisations have shifted from the Industrial Age into the Information Age, where competitive advantage has become that of information, knowledge, ideas and management skills. This has resulted in the development of a new corporate paradigm in which corporate dependence on employees is rapidly on the rise. This transition has influenced many organisations to start focusing on reducing costs, evaluating outsourcing options and downscaling or downsizing, and concomitantly reducing in employee loyalty.

Public sector institutions, in particular, are confronted with a number of challenges of which the largest is to retain talented employees. The present situation in the public sector portrays the reality of a skills shortage and a high turnover of staff (Pillay n.d.).

Pillay *et al.* (2008) concur and posit that the Public Service Commission's report of 2008 concerning Senior Managers in the Public Service, revealed that both National and Provincial departments lacked professional and technical knowledge skills. According to Vermeulen (2007:272), this is owing to the fact that skilled, competent staff is in high demand, and it is, therefore, important for strategic managers to give precedence to talent management.

Du Plooy and Roodt (2013) also purport that the changing demographics of work forces around the world, and particularly in South Africa, highlight the growing importance of

workplace flexibility. Even at a macro-economic level, the increased use of flexibility in the workforce has been mentioned in the Growth, Employment and Reconstruction (GEAR) policy as one of the factors that can alleviate the current labour-market crisis in South Africa.

Vermeulen (2007:272) believes that a public sector institution's strength lies in its human capital and, therefore, it is vital to co-ordinate human action for public interest, as well as to ensure optimal institutional effectiveness. It is important for managers to not only take cognisance of human resource encounters, but to address such challenges in order to apply human resources as a competitive advantage.

According to Thomas (2003), it is difficult to keep employees happy, hence the key is to find out what matters most to the organisational staff. Results from research by the Society for Human Resource Management (SHRM), USA Today and Job Satisfaction Poll from 2002, show that employers have a poor understanding of employees' opinions. In the survey employees and HR professionals responded to the survey and had different ideas about what they deemed to be "very important". The results revealed the top five "very important" job components for employees to be job security, benefits, communication between employees and management, employee flexibility to balance work and life issues and compensation/pay.

Sherry (2008) highlights that skills shortages and high vacancy rates place major pressure on service delivery, especially in the public service. Temkins (2008, 2009) adds that factors such as the crime rate exacerbates the problem, as it leads to emigration and reduces capacity in the public sector. Black Economic Empowerment (BEE) requirements are not helping because of a lack of appropriately qualified and experienced candidates, especially in the case of senior management posts.

From the views expressed above, the research provides some evidence that South African key talent employees largely value the importance of motivators and its important role in influencing key talent employees to remain or leave an organisation. Ramlall (2004:52) offers an explanation of how employee motivation affects employee retention within organisations. Birt *et al.*'s (2004) research reveals that intrinsic variables remain highly important, which does not in any way imply that the extrinsic variables are not at

all influential in decisions to leave which are influenced by moderate variables such as age, gender and working experience.

The above discussion provides a background to the problem of a lack of investment by private and public sector organisations, including the Western Cape provincial government into talent management and challenges, which are faced to retain key talent employees. The organisation should take responsibility to address the problem by investing into talent management and implementing talent management strategies to influence key talent retention.

1.3 Statement of research problem (problem statement)

1.3.1 Main problem

The lack of investment in talent management by a provincial government department could result in the department not being able to retain key talent employees.

DEDAT is the Western Cape provincial government department where the current research was undertaken. Its main strategic objective is to facilitate growth and jobs in the Western Cape economy. This requires appropriate human talent to achieve its strategic objective and goals in the short and long term within the public service environment.

It is likely that the lack of investment in talent management, which includes talent management strategies and processes result in the loss of these key talent employees, as they leave the organisation and seek employment within other public or private sector organisations. Harris (2008: 22) asserts that the main reason for the failure to retain talented employees can be attributed to the inability of organisations to apply correct motivational strategies to address the problem of retention and turnover.

With the current and future economic and competitive pressures on South African private and public service organisations, it is pivotal to improve their ability to attract and retain critical and high potential key talent employees within their respective institutions.

1.3.2 Sub-problems

1.3.2.1 The lack of investment in talent management by DEDAT results in management not implementing talent management practices to retain key talent employees. This results in key talent employees not understanding their role and value in the organisation and influences these employees to leave the organisation. This negatively impacts the institution's competitive advantage, skills set and leadership to achieve the desired organisational goals and objectives.

A lack of investment in talent could result in key talent employees not being clear on the current and future organisational strategic vision, objectives and goals. Due to key talent employees not being fully clear on how their role, competencies and position fit into the line of sight of the department (in the short term and long term objectives of the organisation), key talent employees are not able to strategically position themselves to achieve organisational objectives and goals.

1.3.2.2 The lack of a proper talent management strategy and implementation of talent practices could result in no current and future workforce strategy of current and future skills priorities and methods to attract and retain key talent employees to reach current and future organisational objectives. The effect is that the Department is not able to retain key talent employees, and ensure that the right skills priorities are established to meet organisational objectives and goals.

The above is a challenge within the Department as no human resource analysis and forecasting takes place and key talent employees are not informed about these skills needs.

There is a lack of talent management practices that are being implemented by the Department, which focuses on key talent employees. The Department may not be appropriately reviewing the workforce strategy and identifying the current and future key critical talent and high potential talented employees, resulting in a lack of proper human resource forecasting, human resource planning for current and future human resource skills needs.

The above highlights that it has become a challenge for the Department, the public service as a whole, and other private organisations in South Africa to retain highly skilled employees, and HR professionals finding ways to retain talented employees in order to reduce the turnover rate and the direct and indirect costs, which are involved with the loss of highly skilled employees who leave the organisation.

The main objective of the research study is to determine the factors, which are regarded as core retention variables by employees within a provincial government department in the Western Cape.

1.4 Main objective of research study

The main objective of the research study is to determine the factors, which are regarded as core retention variables by employees within a provincial government department in the Western Cape.

1.5 Research hypotheses

Hypothesis 1:

There is no statistically significant difference in talent retention, which is based on gender among employees within a provincial government department.

Hypothesis 2:

There is no statistically significant difference in talent retention based on age among employees in a provincial government department.

1.6 Significance of study

Talent management is difficult to define, but is a complex undertaking that operates within the strategic human resource framework. Talent management is increasingly gaining momentum in the public sector (Pillay *et al.*, 2008:308).

Considering the above importance of staff retention, the significance of the study is to highlight the importance of talent management and its impact on the retention of key talent employees at DEDAT.

The research study strives to identify key motivational variables that should be considered in the talent management strategy of the provincial government department. The study could potentially contribute towards possible recommendations to include in the human resource management practices within the department. Through the present study that was conducted, it may serve as an impetus to research studies within the subject matter within provincial government and greater public service.

1.7 Overview of organisation for research study

The population consists of managers within the provincial government department and includes key talent employees on the employment skills level from middle management (Deputy Director salary level 11 to 12) to senior management (Director salary level 13 to Head of Department salary level 15) employees.

1.8 Limitations of the research study

In line with the definition of talent, the research identified that the target population and sample group should to be limited to staff at the provincial department within the Western Cape.

The research study was limited to the key talent employees who were identified from salary level 11 to 15 within the department. This was the focus group that would include the key talent resources for the strategic implementation of the organisational objectives.

To ensure a focused research study within set boundaries, a sample of key talent employees was identified to provide data that could be utilised for this study in line with the outcomes of the study.

1.9 Exclusion of the research study

The actual implementation of the results is excluded from the research report. The research study objectives were reached in terms of the problem statement and outcomes of the study, but does not include the actual implementation of the results and recommendations made through the research study within the department.

The research study's targeted population excludes the other 12 provincial departments within the Western Cape including the other spheres of the public service, namely Local and National Government. It also excludes staff from salary level 10 and below from the research study.

The target population and sample group did not include the above stakeholders. The aim is for the general outcomes of the research study to possibly be aimed at the above occupational groups.

Staff members from salary level 10 fall within the operational management to administration functions within the department, and therefore, not within the high level and specialised occupational levels within the organisation.

1.10 Definition of key concepts

Management is generally a team of individuals at the highest level of organisational management who have the day-to-day responsibilities of managing a corporation. There are most often higher levels of responsibility. A person who allocates human, material and information resources in pursuit of an organisation's goals (Hellriegel, Jackson & Slocum, 1999:7).

Talent is a recurring pattern of thought, feeling or behaviour that can be productively applied. Intellectual ability, natural or acquired; mental endowment or capacity; skill in accomplishing; a special gift, particularly in business, art, or the like. The potential or factual ability to perform a skill better than most people (Buckingham & Coffman) (Simon & Schuster, 1999).

Talent Management is an organisational mindset that seeks to assure that the supply of talent is available to align the right people with the right jobs at the right time, based on strategic business objectives (Baum, 2008: 720). Talent management can be described as "strategic integrated approach to managing human capital throughout the career cycle: attracting, retaining, developing and transforming the organisation's human assets" (TalentAlign, 2007:1).

Motivation is the process that accounts for an individual's intensity, direction and persistence of effort towards attaining a goal. The three key elements are intensity, direction, and persistence (Robbins, 2001:155).

Intrinsic motivators refer to motivation that comes from inside an individual rather than from any external or outside rewards such as money or grades (Bainbridge, date unknown).

Extrinsic motivators refer to motivation that comes from outside an individual. The motivating factors are external, or outside rewards such as money or grades (Bainbridge, n.d).

Retention is defined as being able to hold, contain or to keep one's possession. Not able to lose or dismiss ways of managing and retaining talented employees by using innovative retention programmes (Phillips & Connell, 2003).

Need is defined as a deficiency or a lack of something of value that an individual experiences at a particular point in time. Deficiencies may be psychological (for example, need for food), psychological (for example, need for self-esteem), or sociological (for example, a need for social interaction). Needs are energizers or triggers of behavioural responses (Gibson *et al.*, 2009: 131-132).

Public sector is defined as the part of the economy that provides basic government services (government departments, parastatals, provincial government and municipality) (www.investorwords.com).

The Provincial Government of the Western Cape works in co-operation with the National Government to create laws, and to provide services for the people of the Western Cape. The Western Cape Government promotes freedom and opportunity for all the people of the province (www.capegateway.co.za).

The Department of Economic Development and Tourism is a provincial department within the Provincial Government Western Cape (PGWC). The Department provides leadership to the Western Cape economy through the Department's understanding of the economy, its ability to identify economic opportunities and potential, and its contribution to government economic priorities (Department of Economic Development and Tourism Annual Performance Plan, 2011-2012).

1.11 Outline of dissertation

Chapter 1: Introduction, problem statement, and outline of the research study

This chapter provides an overview of the problem statement and rationale for undertaking this research. The background detailing why research within this area is warranted, is also presented.

Chapter 2: Literature review

This chapter elucidates the critical issues, which relate to retention and presents insight into critical retention challenges, which face organisations. The chapter discusses the core retention variables, which are highlighted in various empirical studies, and addresses available literature within the field.

Chapter 3: Research methodology

The research methodology chapter presents the research design, provides an overview of the population and sample, sampling design, data collection method, and presents ethical considerations, which should be borne in mind when planning and executing the research.

Chapter 4: Results and discussion

Chapter 4 presents the most salient findings, which emerged from the research undertaking. A brief discussion is provided, highlighting some of the core trends, which emerged from the empirical analysis.

Chapter 5: Conclusions

Chapter 5 draws conclusions from the research by juxtaposing the current research against similar research findings that were reported in the literature on retention.

Chapter 6: Recommendations, limitations and direction for future research.

This chapter discusses some of the limitations of the current research, provides recommendations for both practitioners and employers, and also proposes directions for future potential research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Skills shortages are confronting many organisations, which has resulted in South African employers competing with international organisations for talented employees. This is referred to as a “war for talent.” The term “war for talent” is defined as competing for the employment of managerial-level employees by both South African and international organisations (Nel, Werner, Haasbroek, Poisat, Sono and Schultz, 2008: 2).

Given the emphasis on people as a key resource of competitive advantage, there has been an increasing trend for companies to implement more creative forms of corporate initiatives to attract and retain valuable employees and to “buy” their commitment (van der Merwe, Basson & Coetzee, 2009: 75).

Retention has become a focus in literature, either separate or as part of talent management strategies. The consequence of retention stems from implementation of the integrated nature of managing talent. This includes the implementation of integrated strategies and systems to ensure high performance by developing improved processes of attracting, developing, retaining and using people with the required skills and aptitudes to meet current and future business needs (Bothma & Roodt, 2012; Du Plooy & Roodt, 2010; Greyling & Stanz, 2010; Griffeth, Hom & Gaertner, 2000; Kotzé & Roodt, 2005; Mendes & Stander, 2011).

Despite an excess of literature on retention, organisations’ responses to the needs of talent in present-day times appear to be unsuccessful and affect high performance. New coverage shows that goal achievement and high performance are current challenges, especially for the South African public sector (Masibigiri & Nienaber, 2011:2).

Mendes and Stander (2011) posit the view that public sector organisations should create a healthy, positive environment where leaders are able to empower employees and have an impact on the organisation’s retention of its employees. In addition, Grobler, Bothma, Brewster, Carey, Holland and Wörnich (2011) highlight the need for more creative and

flexible practices for the attraction and retention of employees, and moreover the need for policies to attract and retain a multi-generational workforce.

Grobler *et al*, (2011) further identify a key theoretical perspective that provides a framework for the strategic approach to invest in the retention and development of human resources. In turn, this framework provides key areas for organisations to act upon to ensure a return on investment and a competitive advantage. One area is to craft a winning employee value proposition (EVP). An EVP is everything that an employee experiences within an organisation, including intrinsic and extrinsic satisfaction, values, ethics, and culture. It is also how well the organisation fulfils the employee's needs, expectations and aspirations.

The aim of this chapter is to provide a broad definition and understanding of employee retention, talent management, motivation, and motivational variables, which are derived from motivational theories. This chapter also provides an overview of the challenges, which face South Africa in terms of key talent employee retention, and highlights the best practices that can be considered for investment in talent management practices within South Africa, particularly within the public service employment context for the purpose of this research study.

The literature review outlines the intrinsic and extrinsic motivational variables to identify these key organisational variables that influence the retention of key talent employees. While attraction of talent is at the front and centre of the skills shortage debate, organisations should also focus on retention of their key staff owing to the high costs of labour turnover.

2.2 Definition of retention and talent management

Baum (2008:720) views talent management as an organisational mindset that seeks to assure that the supply of talent is available to align the right people with the right jobs at the right time, based on strategic business objectives.

According to Pillay *et al.* (2008: 312), talent management refers to the sum of people's capabilities, experiences, competencies, attitudes and behaviour that can be turned into organisational performance. Rees and McBain (2004: 33) contend that organisations do not begin their life through money and machines, but rather they are the production of human endeavour, creativity and innovation. Consequently, valuing and managing human talent becomes an essential part of an organisation.

Gayland, Sutherlands and Viegde (2005) highlight that organisations have shifted from the Industrial Age to the Information Age where competitive advantage has become that of information, knowledge, ideas and management skills. This has resulted in the development of a new corporate paradigm in which corporate dependence on employees is rapidly on the rise. This transition has influenced many organisations to start focusing on reducing costs, evaluating outsourcing options and to downscale or downsize.

Cook and Jagers (2005) recognize that retention has become a strategic competitive advantage for the future business, and that successful organisational connections amongst their systems, strategies, support, and clients are human connections.

Talent development only happens when a culture which is based on shared values and beliefs is created, where thinking and feeling emotions are engaged and the leadership demonstrates its commitment through its behaviours and attitudes (Altman, 2008: 76).

The increase in career mobility opportunities has introduced several challenges to talent retention. Research has shown that job satisfaction and organisational commitment are key variables that influence employees' turnover intention, that is, an individual's intent to leave an organisation (Joao & Coetzee, 2011:38).

2.3 Work motivation

The term motivation is derived from a Latin word, *movere*, meaning to move (Kretiner, 1998; cited by Ramlall, 2004). Motivation represents “those psychological processes that cause the arousal, direction, and persistence of voluntary actions that are goal oriented” (Mitchell, 1982: 81).

Robbins (1993) defines motivation as the inclination to apply high levels of effort towards organisational goals, accustomed by the effort’s ability to satisfy some individual need. A need in this context is an internal state that makes certain outcomes appear attractive. An unsatisfied need creates tension that stimulates drives within the individual. These drives then generate a search behaviour to find particular goals that, if attained, will satisfy the need and lead to the reduction of tension (Robbins, 1993).

Pinder (1998:11) provides a definition that accommodates the different theoretical perspectives that have been brought to bear in the explanation of work motivation: Work motivation is a set of energetic forces that originates both within, as well as beyond an individual’s being, to initiate work-related behaviour, and to determine its form, direction, intensity, and duration (Meyer, Becker & Vandenberghe, 2004: 992).

There are two noteworthy features of this definition. First, motivation is identified as an energizing force—it is what induces action in employees. Second, this force has implications for the form, direction, intensity, and duration of behaviour (Meyer *et al.*, 2004: 992). That is, it explains what employees are motivated to accomplish, how they will attempt to accomplish it, how hard they will work to do so, and when they will stop (Meyer *et al.*, 2004: 992). The inference is that motivated employees are in a state of tension and to relieve this tension, they exert effort. The greater the tension, the higher the effort level that is exerted.

Motivational theorists differ on where the energy is derived from and on the particular needs that a person is attempting to fulfill, but agree that motivation requires a desire to act, an ability to act, and having an objective. Motivating staff may be a critical factor in ensuring that an organisation thrives and succeeds in an increasingly competitive environment. The rationale is that, as employees become increasingly motivated to

perform in their jobs, the likelihood of their becoming involved in their job increases significantly. This suggests an important opportunity, that of using the valuable asset of human capital as a means to enhance success in a turbulent and dynamic corporate environment (Govender & Parumasur, 2010: 237).

Muchinsky (1990) defines motivation as the individual's desire to demonstrate a particular behaviour and to willingly expend effort. Nelson and Quick (2002) propose that motivation may be defined as the process of arousing and sustaining goal-directed behaviour. Odendaal and Roodt (2003) define motivation as the process that accounts for the individual's intensity, direction and persistence in the attainment of a particular goal (Govender & Parumasur, 2010: 237).

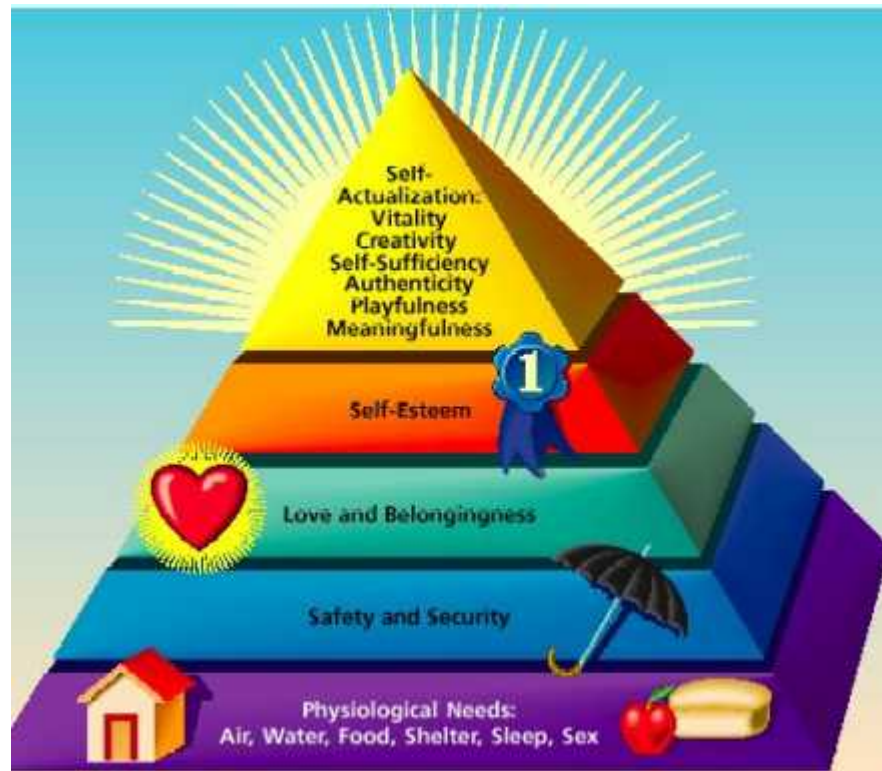
2.3.1 Motivation theories

According to du Plooy and Roodt, (2013), three (3) conceptual frameworks of motivational theories seem to be more prominent in literature. A description will follow of the main theories and theorists from each framework to provide significance, clarity and course to the topic of job satisfaction. The three frameworks that were identified are:

- Content theory, which suggests that job satisfaction occurs when one's need for growth and self-actualization is met by the individual's job;
- Process theory, which attempts to explain job satisfaction by looking at how well the job meets one's expectations and values; and
- Situational theories, which propose that job satisfaction is a product of how well an individual's personal characteristics interact or integrate with organisational characteristics.

2.3.1.1 Content theories

A prominent theorist that is associated with this framework is Abraham Maslow, who is known for his traditionalist view of job satisfaction. Maslow's "hierarchy of human needs" model summarised human needs into five basic groups (Bagraim, 2007).



**Figure 2.1: Maslow's hierarchy of human needs model
(Adapted from Robbins, 2009)**

At the lowest tier, he identified physiological needs, which include basic life supporting needs such as water, food, and shelter. The next level consists of physical and financial security, while the third tier includes needs of social acceptance, belonging and love. The fourth tier incorporates self-esteem needs and recognition by one's peers, and the top of the pyramid is reserved for self-actualization needs such as personal autonomy and self-direction (Robbins, 2009).

According to Maslow, the needs of an individual exist in a logical order and that the basic lower level needs must be satisfied before those at higher levels. Then, once the basic needs are fulfilled, they no longer serve as motivators for the individual. The more a job allows for growth and acquisition of higher level needs, the more likely the individual should report satisfaction with his or her job. Likewise, the success of motivating people depends on recognizing needs that are unsatisfied and helping the individual to meet those needs (Robbins, 2009)

Whilst Maslow's theory might have appeal, it also seems to have some drawbacks. Gruneberg (1979) points out that there is no evidence for this hierarchy of needs, and furthermore, man's needs, even at the lowest levels, are not satisfied by one 'consummatory act'. The author argues that there are always physical needs that should be satisfied and draws on evidence that shows that the satisfying of certain needs leads to strengthening of those needs rather than the reverse.

However, not all researchers will agree with Gruneberg, as is evidenced by the Mueller and McClosky's (1990) design of a multi-dimensional, which covers eight facets of job satisfaction based on various dimensions of Maslow's hierarchy of needs. Included are dimensions, which represent higher-order (psychological) needs, such as professionalism in the workplace and lower-order needs, such as pay.

Building on the theories of Maslow, Herzberg made a significant contribution to the discussion of job satisfaction. The Herzberg theory proposed that the work itself could serve as a principal source of job satisfaction. The result of Herzberg's approach led to the two-factor theory of job satisfaction, sometimes also called motivation-hygiene theory, where job satisfaction was placed on one continuum and job dissatisfaction was placed on a second (Bagraim, 2007).

Herzberg's theory recognises that work characteristics that are generated by dissatisfaction were quite different from those that are created by satisfaction. Herzberg identified the factors that contribute to each dimension as motivators and hygienes (Bagraim, 2007).

The motivators are intrinsic factors that influence satisfaction, which is based on fulfilment of higher level needs such as achievement, recognition and opportunity for growth (Bagraim, 2007).

The hygiene factors are extrinsic variables such as work conditions, pay and interpersonal relationships that must be met to prevent dissatisfaction. When hygiene factors are poor, work will be dissatisfying. However, simply removing the poor hygiene factors does not equate to satisfaction. Likewise, when people are satisfied with their

job, motivators are present, but removing the motivators does not automatically lead to dissatisfaction (Bagram, 2007).

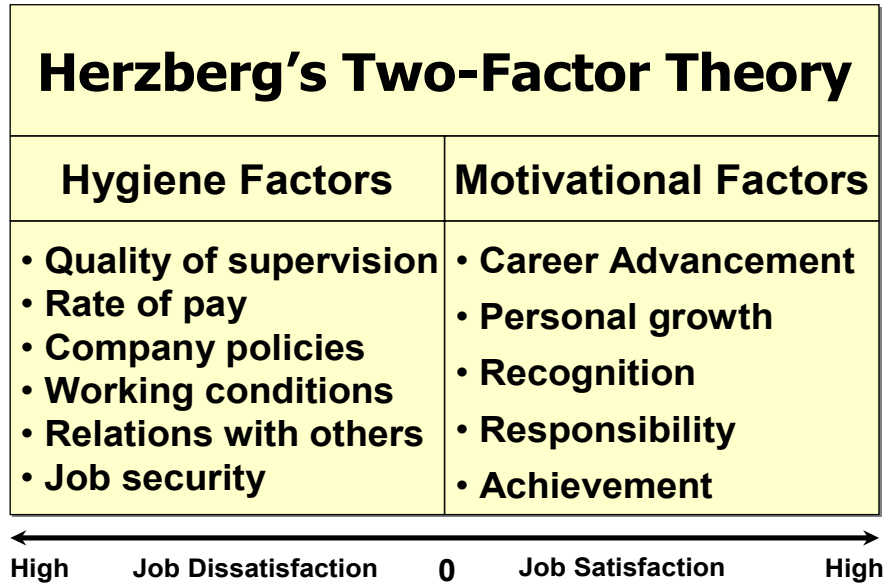


Figure 2.2: Herzberg's Motivator-Hygiene Model (Adapted from Robbins, 2009)



Figure 2.3: Herzberg's Motivator-Hygiene Model and employee engagement (Adapted from <http://www.googleimages.com>, 2013)

Herzberg's theory was criticized on the basis that his conclusions were based on a narrow sample of the working population (House & Wigdor, 1967 in Bagrami, 2007). Furthermore, Rowley (1996) argues that Herzberg used satisfaction and motivation interchangeably and assumes that increased satisfaction leads to increased motivation, whilst this is not always the case.

However, a number of studies have confirmed Herzberg's findings. Such an example includes a study to determine whether intrinsic factors indeed contributed to job satisfaction and the research established Herzberg's claims that achievement, recognition, advancement, need for autonomy and self-actualisation were major motivating factors for individuals to perform at their maximum levels, thus leading to high degrees of job satisfaction (Graham & Messner, 1998). These researchers also found that the significant factors, which contribute to job dissatisfaction were supervision, personal life, relationships with superiors, relationships with subordinates and relationships with peers.

2.3.1.2 Process theories

According to Gruneberg (1979), process theories endeavour to explain job satisfaction by understanding how motivation is developed by considering expectancies and values.

This theory of job satisfaction proposes that employees should select their behaviours in order to meet their needs. Adams and Vroom have become the most prominent theorists within this theory framework.

Individuals perceive what they get from a job situation (outcomes) in relation to what they put in (inputs), and then compare their outcome-input ratio with the outcome-input ratios of relevant others (Robbins, 2009). This is shown in Figure 2.4. When individuals perceive their ratio to be equal to that of relevant others with whom they compare themselves, a state of equity exists; perceptions of fairness and justice prevail. When the ratio is perceived as unequal, equity tension prevails and Adams (1965) propose that the individual is motivated to restore the equilibrium.

<h1>Equity Theory</h1>		
Ratio Comparison*		Employee's Perception
$\frac{\text{Outcomes A}}{\text{Inputs A}} < \frac{\text{Outcomes B}}{\text{Inputs B}}$	<	Inequity (Under-Rewarded)
$\frac{\text{Outcomes A}}{\text{Inputs A}} = \frac{\text{Outcomes B}}{\text{Inputs B}}$	=	Equity
$\frac{\text{Outcomes A}}{\text{Inputs A}} > \frac{\text{Outcomes B}}{\text{Inputs B}}$	>	Inequity (Over-Rewarded)

**Where A is the employee, and B is a relevant other or referent.*

Figure 2.4: The Equity Theory Model
(Adapted from Robbins, 2009)

The equity theory proposes that people seek social equity in the rewards that they expect for performance and feel satisfied at work when the input or contribution towards a job and the resulting outcome are equal to that of their co-workers. Robbins (2009) suggests that there are four reference comparisons that an employee can use:

- a) Self-inside: an employee's experiences in a different position inside the employee's current organisation.
- b) Self-outside: an employee's experiences in a situation or position outside the employee's current organisation.
- c) Other-inside: Another individual or group of individuals inside the employee's organisation.
- d) Other-outside: Another individual or group of individuals outside the employee's organisation

Based on equity theory, when employees perceive inequity, it can be predicted that they will make one of six choices:

- a) Change their inputs (for example, exert less effort);
- b) Change their outcomes (for example, produce or increase the quantity of their outputs, while compromising the quality);
- c) Distort perceptions of self;

- d) Distort perceptions of others;
- e) Choose a different referent; and
- f) Leave the field.

Vrooms (1964) theory of job satisfaction argues that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome, and on the attractiveness of that outcome to the individual (Robbins, 2009). The principle of this theory is that if employees put more effort into their jobs and perform better at work, then they will be compensated consequently. The theory focuses on three relationships, as demonstrated in Figure 2.5, below.

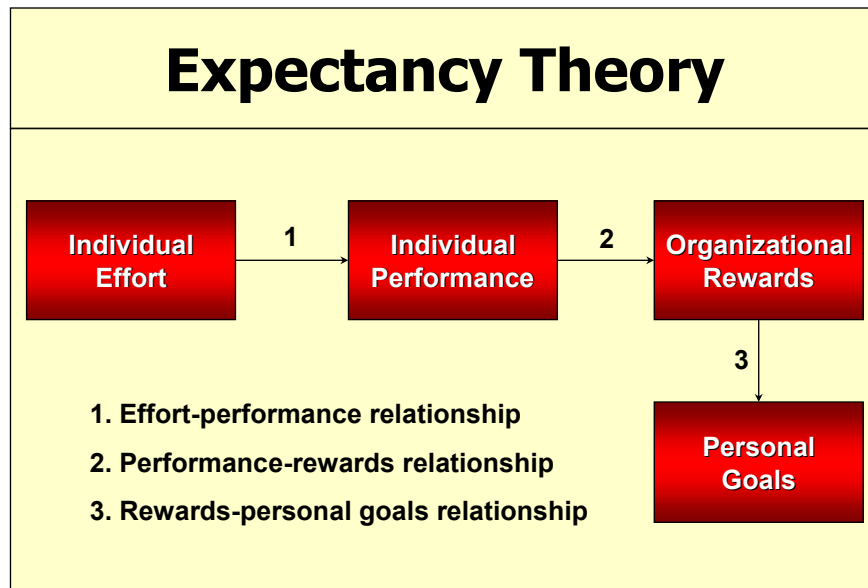


Figure 2.5: Expectancy Theory Model
 (Adapted from Robbins, 2009)

- a) Effort-performance relationship: the probability perceived by the individual that exerting a given amount of effort, will lead to performance.
- b) Performance-reward relationship: the degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome.
- c) Rewards-personal goals relationship: the degree to which organisational rewards satisfy an individual's personal goals or needs, and the attractiveness of those potential rewards for the individual.

Robbins (2009) indicates that discrepancies between expected compensation and actual outcome lead to dissatisfaction. If an employee receives less than they expect, or otherwise feel as if they are being treated unequally, then dissatisfaction will occur. Conversely, overcompensation can also lead to dissatisfaction and the employee may experience feelings of guilt. The compensation should have to be of monetary value; however, pay is distinctively the most evident.

Vroom (1982) explains that employees would choose to do or not do job tasks based on their perceived ability to carry out the task and earn a fair-minded reward.

To illustrate and clarify his ideas, Vroom generated a three-variable equation to scientifically determine job satisfaction:

- The first variable that was identified is Expectancy, which is the individual's perception of how well he or she can carry out a given task.
- The second variable is instrumentality, which refers to the individual's confidence that he or she will be compensated fairly for performing a task, and
- The third variable is valence which considers the value of the expected reward to the employee. In Vroom's formula, each variable is given a probability value, and when all three factors are high, employees will be more satisfied and have more motivation. If any of the factors are low, work performance and employee motivation will decline (Robbins, 2009).

2.3.1.3 Situational theories

According to Quarstein, McAfee, and Glassman (1992), job satisfaction is determined by two factors: situational characteristics and situational occurrences. Situational characteristics are things such as pay, supervision, working conditions, promotional opportunities and company policies that are typically considered by the employee before accepting the job. Situational occurrences are things that occur after taking a job that may be tangible or intangible, positive or negative. Positive occurrences might include extra vacation time, while negative occurrences might entail faulty equipment or strained co-employee relationships. Within this theoretical framework, job satisfaction is a product of both situational factors and situational occurrences.

An example of such a situational paradigm is the facet model. The focal point of the facet model is the work situation factors, by which the job elements or components, which are often referred to as job facets, are reviewed in terms of how satisfied employees are with these job facets. According to George and Jones (2005), an individual's job satisfaction in totality is established by summing up his or her satisfaction with each facet of the job. This model emphasizes that jobs affect employees in multiple ways and that it is important not to focus on merely one or two job related variables to ensure job satisfaction. In addition, George and Jones (2005) caution that it is important to recognise that a job facet that may be deemed important by one individual may not be deemed as important by another individual. Hence, it is important for organisations not to follow a 'one size fits all' approach to job satisfaction.

Table 2.1: Job facets that play a part in determining job satisfaction

Job Facet	Description
Ability Utilisation	The extent to which the job allows one to use one's Abilities
Achievement	The extent to which an employee gets a feeling of accomplishment from the job
Activity	Being able to keep busy on the job
Advancement	Having promotion opportunities
Authority	Having control over others
Company policies and practices	The extent to which they are pleasing to an employee

Compensation	The pay that an employee receives for the job
Co-employees	How well one gets along with others in the workplace
Creativity	Being free to come up with new ideas
Independence	Being able to work alone
Moral values	Not having to do things that go against one's conscience
Recognition	Praise for doing a good job
Responsibility	Being accountable for decisions and actions
Security	Having a secure or steady job
Social service	Being able to do things for other people
Social status	Recognition in the broader community that goes along with the job
Human relations supervision	The interpersonal skills of one's boss
Technical supervision	The work related skills of one's boss
Variety	Doing different things on the job
Working conditions	Working hours, temperature, furnishing, office location and layout and so on.

(Adapted from George & Jones, 2005)

Another situational theory includes the Steady - State Theory. This theory implies that all employees experience a typical level or degree of job satisfaction, which is referred to as the steady state or equilibrium level. Disequilibrium is caused when changes occur in a work situation, while the employee's satisfaction level will return to the equilibrium state over time (George & Jones, 2005).

In addition, this theory implies that when managers make changes in the working environment with the intention of improving job satisfaction levels, it is important to determine whether the resulting increases in satisfaction will last for a short while or whether they are permanent or long lasting. Therefore, changes in some job facets or work variables may have more positive long lasting effects in terms of job satisfaction than others (George & Jones, 2005). An example of this would be a pay increase. The increase would cause satisfaction to increase, but eventually the employee's satisfaction will return to the steady state.

This theory has not yet been tested extensively through research. Research does show that job satisfaction levels remain fairly stable over time and that changes in the satisfaction levels are often only temporary (Brief, 1998).

2.4 Job dissatisfaction

According to Robbins (2009), while there are consequences when employees experience job satisfaction, there are also consequences when they experience job dissatisfaction, and he identifies the exit-voice-loyalty-neglect framework as a useful model to classify such consequences. The framework identifies four responses, as illustrated in Figure 2.6 below, which differ from one another along two dimensions, namely constructive/destructive and active/passive.

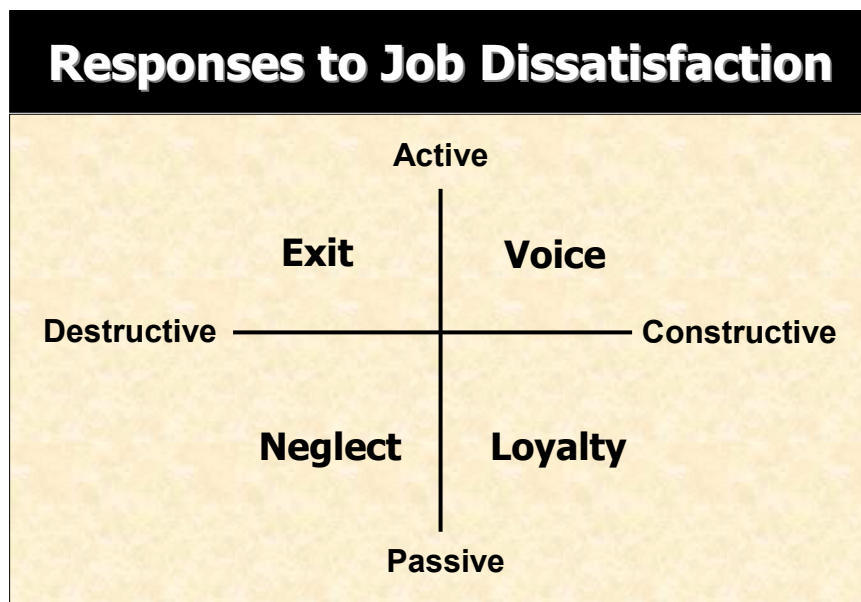


Figure 2.6: Responses of job dissatisfaction
(Adapted from Robbins, 2009)

These responses can be defined as follows:

- **Exit** - Behaviour that is directed towards leaving the organisation, including looking for a new position as well as resigning.
- **Voice** - Behaviour that actively and constructively attempts to improve conditions, including suggestions for improvements, discussing problems with superiors, and undertaking some form of union activity.
- **Loyalty** - Behaviour that involves passively, but optimistically waiting for

conditions to improve and includes speaking up for the organisation in the face of external criticism and trusting the organisation and its management to do the right and ethical thing.

- Neglect - Behaviour that involves passively allowing conditions to worsen, including chronic absenteeism or late coming, reduced effort and increase error rate.

In addition, various studies such as those of Landy (1989), McCormick and Ilgen (1985) and Spector (1997) indicate a relationship between low levels of employee satisfaction and increased labour turnover. Spector (1997) further indicates a strong relationship between job dissatisfaction and intention to leave an organisation. Figure 2.7 below reflects this relationship.

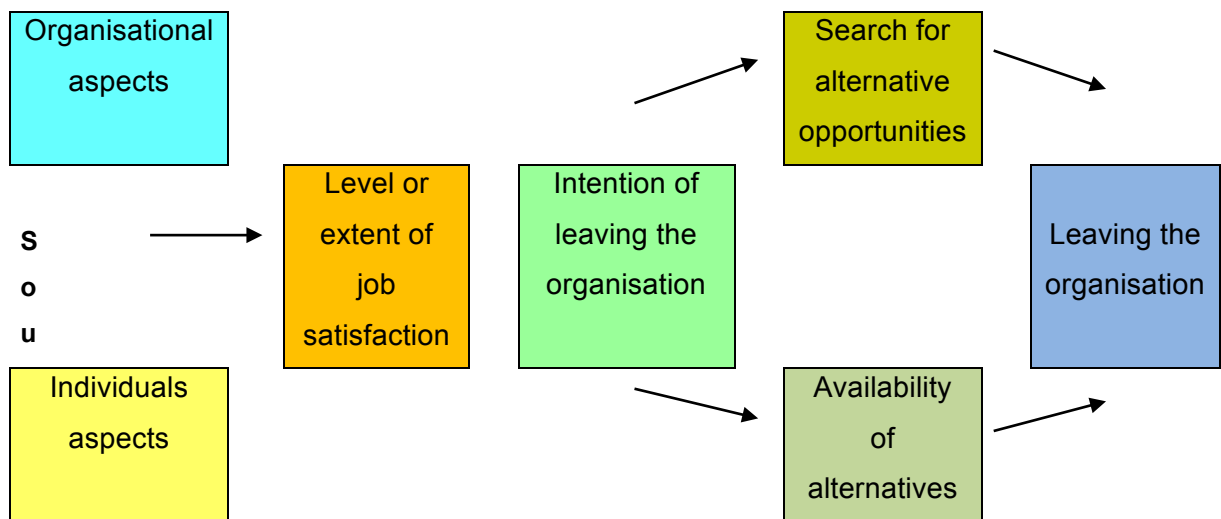


Figure: 2.7: Relationship between job dissatisfaction and intention to leave (Adapted from Spector, 1997)

2.5 Organisational commitment

According to Tsui, Pearce, Porter and Hite (1995), employee retention, productivity and financial success are characterized by high performance and high commitment. The assumption is that when integrated management strategies focus on gaining the

commitment of employees, it will subsequently lead to high levels of desired individual behaviour, including retention and ultimately organisational performance.

Walton (1985) believes that the employee commitment practice has replaced the one of employee control. The goal of control is to reduce direct labour costs or improve efficiency by enforcing employee compliance with specific rules and procedures and base employee rewards on some measurable output criteria (Eisenhardt, 1985; Walton, 1985). In contrast, commitment shapes desired employee behaviours and attitudes by creating psychological links between the organisation and employee goals. The aim is thus to develop committed employees who can be trusted to carry out their tasks in ways that are consistent with organisational goals.

Storey (1992) supports the notion that a strategy of organisational commitment will empower employees to take greater responsibility, and that it will lead to a competitive advantage through their commitment and trust. In addition, Arthur (1994) asserts that organisations had significantly higher performance and lower turnover by using commitment strategies, compared to those that use control strategies. In an attempt to understand the underlying value of such commitment strategies and the impact on retention, the concept of organisational commitment will be defined and explored.

According to du Plooy and Roodt (2013), the concept of organisational commitment has grown in popularity in literature on industrial and organisational psychology. Earlier studies viewed the concept as a single dimension based on an attitudinal perspective, while embracing identification, involvement and loyalty (Porter, Steers, Mowday & Boulian, 1974).

Affective commitment is defined as positive feelings of identification with the organisation, as well as attachment and involvement in the work organisation, while continuance commitment is defined as the extent to which employees feel committed to their organisation by virtue of the costs that they feel are associated with leaving (Meyer and Allen, 1984).

Meyer and Allen (1991) added a third dimension, which is known as normative commitment, which subsequently describes the concept as tri-dimensional. Normative

commitment is described as the employee's feelings of obligation to remain with the organisation (Meyer & Allen, 1991).

Common to the tri-dimensional concept of organisational commitment is the view that organisational commitment is a psychological state that characterises organisational members' relationships with the organisation, and has implications for the decision to continue or discontinue membership in the organisation (Meyer & Allen, 1997).

The organisational commitment model of Meyer and Allen (1997) indicates that affective commitment is influenced by factors such as job challenge, role clarity, goal clarity and goal difficulty, receptiveness by management, peer cohesion, equity, personal importance, feedback, participation and dependability.

Affective commitment development involves identification and internalisation (Beck & Wilson, 2000). Individuals' affective attachment to their organisations is firstly based on identification with the desire to establish a rewarding relationship with the organisation, and secondly, through internalisation, the congruent goals and values that are held by individuals and the organisation. In general, affective commitment is concerned with the extent to which an individual identifies with the organisation (Meyer & Allen, 1991).

The second dimension of the model is normative commitment, which refers to an employee's feeling of obligation to continue employment.

The strength of normative organisational commitment is influenced by accepted rules about reciprocal obligation between the organisation and its members (Suliman & Iles, 2000). Reciprocal obligation is based on the social exchange theory, which suggests that a person that receives a benefit is under a strong normative obligation or rule to repay the benefit in some way (McDonald & Makin, 2000). This implies that individuals often feel an obligation to repay the organisation for investing in them such as training and development.

Lastly, continuance commitment is identified as the third dimension of the model. Meyer and Allen (1997) refer to it as calculative in nature, as the individual is aware of the costs and risks which are associated with leaving the organisation. They further state that

employees whose primary link to the organisation is based on continuance commitment remain because they need to do so, which indicates the difference between continuance and affective commitment.

According to Meyer and Allen (1984) the strength of the continuance commitment is determined by the perceived costs of leaving the organisation. Beck and Wilson (2000) support this notion that continuance commitment is an instrumental attachment to the organisation, where the individual's association with the organisation is based on assessment of economic benefits that are gained. McDonald and Makin (2000) therefore argue that retaining employees who are continuance committed requires organisations to give more attention and recognition to those elements that boost the employees' morale to be effectively committed.

In summary, research evidence shows that all three components of commitment are negatively related to employee turnover and the intention to leave (Meyer & Allen 1997). This concept and model is supported by theorists such as Miller (2003) who describes organisational commitment as a state in which an employee identifies with a particular organisation and its goals, and wishes to maintain membership in the organisation. Organisational commitment is, therefore, the degree to which an employee is willing to maintain membership owing to interest and association with the goals and values of the organisation.

2.6 Employee engagement

Lockwood (2007) reports that employee engagement has become a critical business driver for organisational success, as high levels of engagement promote, amongst others, the retention of talent. Furthermore, he reports that engaged employees perform 20% better and are 87% less likely to leave the organisation, which indicates that engagement is directly linked to organisational performance.

Employee engagement is referred to by the Corporate Leadership Council (2004) as the extent to which employees commit to something or someone in their organisation, how hard they work and how long they stay with the organisation as a result of that

commitment. Other academic definitions include that of Khan (1990) who defines it as harnessing of the employee to their work roles; in engagement, employees employ and express themselves physically, cognitively, and emotionally during role performances. In addition, engagement means to be psychologically present when occupying and performing an organisational role.

Rothbard (2001) defines engagement as a psychological presence, but goes further to state that it includes two critical components, namely attention and absorption. He refers to attention as the cognitive availability and the amount of time that an individual spends thinking about a role, while absorption refers to being immersed in a role and the intensity of the individual's focus on that role.

Maslach, Schaufelli and Leiter (2001) view engagement as being characterised by energy, involvement, and efficacy. They define engagement as a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption. They further state that engagement is not a momentary and specific state, but rather, it is a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behaviour.

2.6.1 Theory and models of employee engagement

A study which was conducted by Khan (1990) found that there were three psychological conditions associated with engagement or disengagement at work, which includes meaningfulness, safety and availability. He went on further to explain that employees were more engaged at work in situations that offered them more psychological meaningfulness and psychological safety, and when they were more psychologically available. These findings were supported by a study that was conducted by May, Gilson and Harter (2004) who empirically tested Khan's (1990) model.



Figure: 2.8: Relationship between job dissatisfaction and intention to leave
 (Adapted from <http://www.googleimages.com>, n.d)

Maslach *et al.* (2001) maintain that engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work. While both the models of Kahn (1990) and Maslach *et al.* (2001) indicate the psychological conditions or antecedents that are necessary for engagement, Saks (2006) argues that they do not fully explain why individuals will respond to these conditions with varying degrees of engagement. According to Saks (2006), a stronger theoretical rationale for explaining employee engagement can be found in the social exchange theory (SET). The SET argues that mutually interdependent relationships between parties can create a state of obligation. A basic principle of SET is that relationships evolve over time into trusting, loyal, and mutual commitments, as long as the parties abide by certain instructions of exchange (Cropanzano & Mitchell, 2005).

Following from the above conceptualization of engagement, Saks (2006) proposes the following model of the antecedents and consequences of employee engagement.

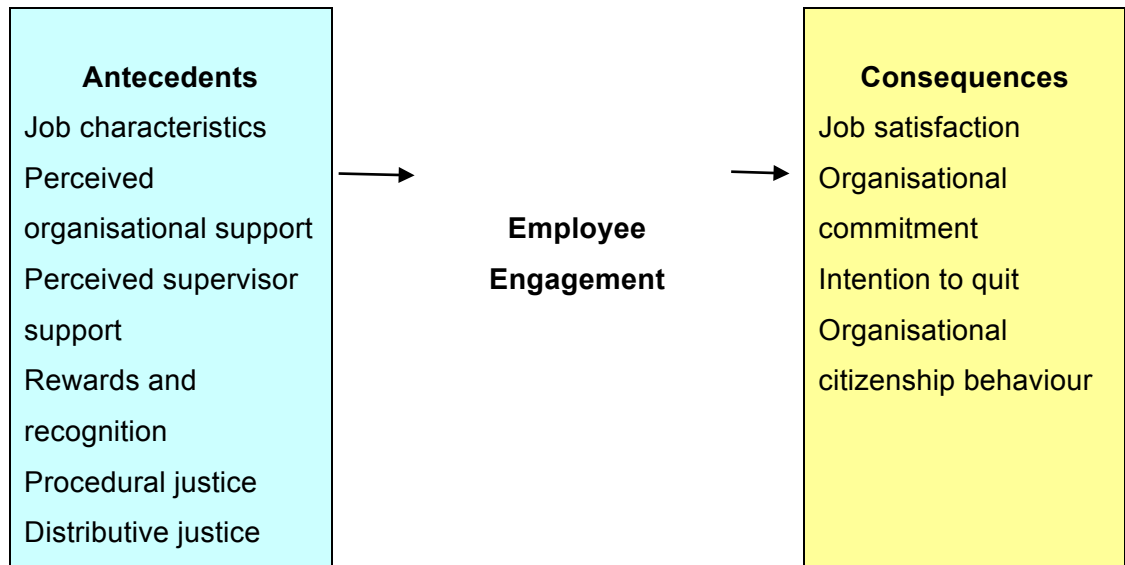


Figure 2.9: Antecedents and consequences of employee engagement (Adapted from Saks, 2006)

2.7 Employee retention and retention drivers

According to Kgomo and Swarts (2010), retaining employees is critical for success in today's business environment. Research, which was conducted by Ernst and Young indicates that attracting and retaining employees are two of the eight most important issues that investors take into account when judging the value of a company (Michlitsch, 2000).

According to Grobler *et al.* (2011), retention stems from the integrated nature of managing talent. Managing talent refers to the implementation of integrated strategies and systems to ensure high performance. Such strategies and systems are dependent on determining and understanding the variables that impact favourably on the retention of employees.

For this reason, Grobler *et al.* (2011) emphasize the need for organisations to establish and understand the reasons why employees leave before they can engage in retention strategies.

Retention drivers

While research findings remain mixed about the reasons why employees leave, Table 2.2 below summarises the favourable variables of previous research results, based on the work of Birt *et al.* (2004:26).

Table 2.2: Summary of favourable retention variables

Broad area	Variables identified within area
Compensation and benefits	External equity Internal equity Variable pay (performance related) Performance bonuses Share options Health benefits Guaranteed base salary Retirement benefits
Organisational environment	Open communication/transparency Organisational change readiness Competitive technology level Organisational support and commitment Diversity Formal information/knowledge sharing Fairness Networking opportunities Job security Senior team reputation Company reputation Organisational size and stability
Work/development environment	Empowerment and responsibility Advancement opportunities Personal “buy-in” to business strategy Mentoring programme New opportunities/challenges Performance evaluation and feedback Autonomy/independence Recognition Role clarity Manager quality and integrity Personal fit with company Excellent co-employee quality

	Internal mobility Teamwork 360-degree feedback Challenging and meaningful work Cutting-edge work Development/learning opportunities Pleasant daily work experiences Productive and friendly work relationships Availability of team-building exercises Status
Work-life balance	Business travel and global exposure Flexible working hours Geographic location of work Option to work from home Extra vacation/longer annual leave Childcare facilities

(Adapted from Birt, Wallis & Winternitz, 2004:26)

The results in Table 2.2 clearly indicate that previous research has found a mixture of both intrinsic and extrinsic factors. Studies have placed and attached different values to such factors. An example is a study, which was conducted by Steward (1997), which emphasized extrinsic factors such as employee stock ownership, incentive pay and profit sharing bonuses. On the contrary, intrinsic factors such as meaningful and challenging work, good supervisors and development opportunities were considered more important in a study that was conducted by Kaye and Jordan-Evans (2002).

2.7.1. Compensation and benefits

Compensation is defined as the financial and non-financial extrinsic rewards that are provided by an organisation to employees, for utilisation of their competencies in an attempt to achieve organisational objectives (Meyer & Kirsten, 2005). Economic rewards include pay, benefits, material goods and security, which represent an instrumental orientation to work (Govender & Parumasur, 2010: 238).

Research (Corporate Leadership Council, 2004) that focuses on retention drivers and strategies revealed that competitive compensation and benefits was the number one driver of retention across the companies that were assessed.

Gaylard *et al.* (2005) indicate however, that experiential research provides contrasting evidence regarding the impact that financial compensation has on the retention of employees. Cappelli (2000) and Smith (2001) articulate that remuneration is only a preliminary lever to obtaining employees' loyalty and not a sustainable retention factor. Higginbotham (1997) supports this theory by suggesting that monetary incentives are not the prime motivator for employees to remain with an organisation, but as long as the monetary rewards are perceived to be competitive, it may have an impact on retention.

Higginbotham (1997) highlights that inflated salaries are not critical, but rather that salaries that are perceived to be just or decent, has a high association with a person's have a need to understand how the compensation system works, as well as how they can earn more pay.

Tomlinson (2002) suggests that once an employee's desired pay level is attained, other work related variables such as career progression, manager support and work and family life balance become significant for employees. In this regard, Lochhead and Stephens (2004) caution that although competitive compensation provides a benchmark of employer commitment, competitive compensation or even generous compensation should not be used as a single entity to ensure the retention of key employees.

2.7.1.1 Guaranteed base salary

Price (2001) maintains that the payment that employees receive is relative to the services that they render to the employer. Research (Corporate Leadership Council, 2004) reveals that employees typically place a premium on compensation and benefits with the most value being placed on base pay.

Smith (2001) cautions employers who place too much emphasis on reward and recognition as a driver to retaining valued employees by arguing that incentives can also

become counter-productive if not managed correctly. If incentives are used to the point of employees constantly requesting what is in it for them before any action is taken, employers may be depriving their employees of the intrinsic motivation of pride and self-respect, which can severely damage their ability to be creative.

2.7.1.2 Variable pay

Armstrong and Murlis (1998) assert that incentive schemes, profit share and share options are frequently used as a retention mechanism for employees. These include, but are not limited to stock options, monetary bonuses and profit sharing, which are linked to compensation (Dockel *et al.*, 2006).

2.7.1.3 Share awards

According to Fisher, Schoenfeldt and Shaw (1999), there is some support that employee ownership in the form of share awards may improve the commitment, loyalty and motivation of employees.

2.7.1.4 Health benefits

Madrian (1994) highlights that employees may become locked to their jobs as a result of them or their family members having a dependency on the employer's health insurance owing to pre-existing medical conditions and the fear of losing these benefits if they change employers. Furthermore, she estimates that this type of job lock reduces voluntary turnover by 25%. Mushrush (2002) suggests that employers should focus on preventative healthcare and wellness programmes such as fitness centre memberships to effectively improve the retention of employees.

2.7.1.5 Retirement benefits

Fisher *et al.* (1999:646) regard a private pension plan as an important benefit for most employees and describes a pension as, “an investment to which contributions are added at regular intervals. Invested funds, along with interest, dividends, and/or capital gains, grow and accumulate to provide income during retirement”.

2.7.1.6 Short term incentives

The allocation of bonuses has become a popular trend in recent years, which may be in the form of a once off monetary reward for meeting performance goals. These monetary rewards may be shared by all employees if organisational goals are met or the size of the bonus may be linked to each employee’s performance (Fisher *et al.*, 1999). Moorhead and Griffin (1998) point out that in order for the value of pay to remain symbolic to organisations’ employees, it is important that employees believe that their rewards are linked to performance. Furthermore, they suggest that organisations should ensure that differences in compensation or bonuses are based purely on performance and not on elements that have no relation to performance.

2.7.1.7 External equity (market related pay)

Fisher *et al.* (1999) refer to external equity as comparisons of jobs that are similar in nature within different organisations. Schuler (1998) indicates that the most effective way of assessing what a company should pay an employee for a specific job would be to conduct market surveys. Market surveys evaluate the pay rates for different jobs within various companies through surveys.

2.7.1.8 Internal equity

Fisher *et al.* (1999: 555) describe internal equity as “the relationship among jobs within a single organisation”. They maintain that internal equity can be established through a job

evaluation process that determines the worth of jobs within an organisation. Job evaluation highlights a systematic and rational assessment of jobs to establish internal equity between various jobs within an organisation (Schuler, 1998). Internal equity has been termed as distributive justice by DeConinck and Bachmann (1994), and has been shown to have significant impact on employee retention. Internal equity, in terms of compensation, is strongly linked to an employee's perception of equity, hence organisations must emphasize the equity within their compensation systems, which can enhance employee commitment and satisfaction (DeConinck & Bachman, 1994; Rankin, 2000).

2.7.2 Work development environment

Birt *et al.* (2004) refer to the work or development environment as intrinsic in nature. Kaye and Jordan-Evans (2002) note that although the importance of extrinsic variables such as reward and compensation played a key role in the retention of talent, intrinsic variables such as meaningful and challenging work, good supervisors and development opportunities were regarded as higher in importance.



Figure: 2.10: Relationship between recruitment, training and development, human resources and retention
(Adapted from <http://www.googleimages.com>, n.d)

When employees feel appreciated that they will be more positive not only about themselves but also about the contribution that they can make to the company's success (Ford & Fina 2006) (van der Merwe *et al.*, 2009:79).

In the South African context in particular, the problem of retention is complicated by the unique challenges that are posed by employment equity. BEE candidates, so highly sought after by organisations in all industries, are fast tracked to management positions so quickly that they bypass the natural learning process whereby other employees ordinarily learn the ropes (Newton, 2008:62).

2.7.2.1 Manager integrity and quality

According to Heathfield (2007), people leave managers more often than they leave jobs or organisations. Robbins (1998) highlights that managers get things done through people and make decisions, assign resources, as well as providing direction of activities to employees in line with the organisational goals. According to Moorhead and Griffin (1998) and Robbins (1998), managers in all organisations are involved in four essential activities, namely planning, organizing, leading and controlling. Buckingham (2000), therefore, points out that manager quality is critical for the retention of high potential staff.

The Corporate Leadership Council (2004) identifies manager effectiveness as the second most powerful driver of retention and highlights that organisations can improve the importance that employees place on their jobs merely by raising the bar on manager quality. In retention research that was conducted by the Council in 2004, participating organisations expressed concerns over manager-effectiveness challenges that were experienced. These included employees who received management promotions without the necessary people development skills or tools, and rewarding employees based solely on performance rather than on their leadership ability and employee development skills.

2.7.2.2 Role clarity

Moorhead and Griffin (1998) maintain that a role is a set of expected behaviours associated with a certain position in a group or company, and may include formal or job related facets, as well as informal or social facets. Role ambiguity develops when a person is unclear of their role within an organisation and can become a significant stress trigger for employees (Moorhead & Griffin, 1998).

2.7.2.3 Challenging and meaningful work

Dockel *et al.* (2006) believe that professionals such as high technology employees have a need to perform interesting work that they find challenging that utilizes their skills and talents. If these professionals view their jobs as challenging and, which creates learning opportunities, then they will be less likely to leave the organisation.

Swanepoel, Erasmus, Van Wyk and Schenk (1998) explain that employees who place importance on challenging work as a career anchor enjoys dealing with difficult tasks and providing solutions to complex problems, and will become bored quickly once the job lacks this challenge.

2.7.2.4 Autonomy/independence

According to Pretorius and Roodt (2004), variety and autonomy are well determined factors, which influence organisational commitment. Employees that enjoy autonomy/independence as a career anchor prefers diversity and flexibility in their work (Swanepoel *et al.*, 1998). Marsh and Mannari (1977) highlights that the greater the degree of autonomy that is provided to employees, the more negatively it will impact on turnover.

2.7.2.5 Empowerment and responsibility

Generally, empowerment involves delegating the power of decision and action to employees and giving them more responsibility and authority to complete their task (Jarrar & Zairi, 2010). It means that employees have sufficient authority to determine how they perform their tasks. In a broader view, empowerment includes the involvement of employee in goal-setting, decision-making and motivational technique, as well as enabling employees to work in a participative environment (Osborne, 2002). Undeniably empowered employees are identified as a powerful drive in an organization's success (Kaye & Jordan-Evans (2001). It is because they are more motivated and committed to organizational operation. According to Hummayoun and Muhammad (2010), employee empowerment can create a sense of belonging and ownership towards the current organization (Choong, Wong & Lau, 2011).

According to Snyder and Lopez (2002), the leaders within an organisation play a vital role in creating such a healthy, positive work environment by creating psychologically empowered employees. Psychological empowerment is a motivational construct, which is manifested in four cognitions (Spreitzer, 1995), namely:

- a) Meaning: the value of a work goal or purpose, judged in relation to an individual's own ideals or standards;
- b) Competence: an individual's belief in his or her own capability to perform activities with skill;
- c) Self-determination: which indicates the individual's sense of choice in initiating and regulating action; and
- d) Impact: the degree to which an individual can influence strategic, administrative or operating outcomes at work.

Thomas and Velthouse (1990) argue that organisations, which empower employees through greater meaning, competence, self-determination and impact in their work, experience positive outcomes. Empowered employees offer the benefit of responding more quickly to environmental changes and stakeholder demands, while dealing with the pressures to improve efficiency and performance (Greasley, Bryman, Dainty, Price, Naismith & Soetanto, 2008).

Six dimensions of leader empowering behaviour have been identified by Konczak, Stelly and Trusty (2000), namely:

- a) the delegation of authority;
- b) the leader's ability to emphasise accountability;
- c) encouragement of self-directed decision-making;
- d) the leader's ability to share information;
- e) development of skills; and
- f) coaching to promote innovation.

Furthermore, Greco, Lashinger and Wong (2006) posit the view that employees will be empowered if a leader enhances the meaningfulness of work, allows participation in decision-making, facilitates the accomplishment of tasks, communicates confidence in high performance and provides autonomy.

2.7.2.6 Productive and friendly work relationships

People usually develop relationships and friendships that provide a foundation for social interaction, which is important to satisfy the social needs of people. Managers can provide support for these needs by cultivating a sense of group identity and relation building among employees (Moorhead & Griffin, 1998).

2.7.2.7 Excellent co-employee equity

According to Lochhead and Stephens (2004), a survey of 3000 American employees listing the reasons why employees remain in their roles showed that intrinsic rewards such as good relations with co-employees influence employees' decision to stay with their employer. The success of employee group outputs is largely reliant on the skills, experiences and personalities of its members. These are critical to effectively perform group tasks and implement effective group processes (Gordon, 1999).

2.7.2.8 Internal mobility

Mobility is defined by Sutherland (2004) as the movement of staff. Hence, internal mobility refers to the movement of employees within the organisation. French (2003) expresses the point that employees have a need to be reassigned or rotated in order to further develop their interests and abilities. Hence, it becomes important for organisations to match individual needs for growth and development with the needs of the organisation and for the movement of people to be actively managed. This is critical, as insufficient focus or poor management of internal movement can have significant negative impact on employee morale (French, 2003).

Moreover, peoples' need for career development opportunities is associated with their need for career mobility. Organisational career development has been identified as a retention factor simply because employees want to experience career growth (Joao & Coetzee, 2011: 38-39).

According to Joao and Coetzee (2011), intra-organisational career mobility refers to job changes that include substantial changes in work responsibilities, hierarchical level or titles within an organisation (Feldman & Ng, 2007, & Joao, 2010). It also refers to occupational changes, which include transitions that require fundamentally new skills, routines and work environments, along with new training, education and vocational preparation with an organisation (Feldman & Ng, 2007; & Joao, 2010). Inter-organisational change, in contrast, refers to movement between organisations (Joao, 2010).

The existence of intra-organisational career mobility opportunities in contemporary careers is evidenced in the new psychological contract between employers and employees, which highlight the provision of lateral moves and developmental opportunities in exchange for longer working hours, added responsibility, broader skills and employee tolerance of change and ambiguity (Baruch 2002; Coetzee & Roythorne-Jacobs, 2007; & Joao & Coetzee, 2011:39).

Aligned with the new psychological contract, boundaryless and protean career attitudes focus on the need for individuals to adapt to their work environment and to manage their

own career (Briscoe & Hall, 2006). In addition to opportunities for intra-organisational career mobility, modern-day careers are also characterised by an inclination in response to globalisation that has exacerbated inter-organisational career mobility (Joao, 2010; & Joao & Coetzee, 2011:39).

Mncwango and Winnaar (2009) reported that after job security, South African employees value advancement opportunities. These findings highlight the need for the provision of organisational career mobility opportunities such as career advancement opportunities. An organisation that provides its employees with career development opportunities will be regarded as an organisation that values its employees (Joao, 2010; & Joao & Coetzee, 2011:39).

2.7.2.9 Exposure to new opportunities/challenges

Growth and development are important for high potential employees, as well as the opportunity to learn and develop new competencies and skills. Development of this nature is; therefore, key in order to stay abreast of changing skill requirements in the market (Capelli, 2000). Heathfield (2007) draws attention to the fact that talented employees look forward to the prospect of having opportunities to learn and grow in their careers, knowledge and skill or else these employees will feel that they are stagnating.

2.7.2.10 Recognition

Recognition is a nontangible or nonfinancial incentive that forms an integral part of the total reward system, which is offered by an organisation to an employee (Dessler, 2009). The term is aimed at a "recognition scheme" which usually refers to formal recognition programmes and initiatives that are aimed at strengthening employees' loyalty and increasing employee intrinsic motivation and productivity by formally recognising employees' accomplishments in a personalised manner (Aamodt, 2007; Dessler, 2009; Marchington & Wilkinson, 2008; van der Merwe *et al.*, 2009:77).

Where possible, the recognition should cater for different needs and tastes (Van der Merwe, 2008; & van der Merwe *et al.*, 2009:79).

Studies that were conducted by Peterson and Luthans (2006) show that nonfinancial recognition initiatives that are aimed at strengthening employees' intrinsic motivation (by fulfilling their need for challenge, responsibility, decision-making, variety, social recognition and career opportunities either alone or in conjunction with financial rewards) have a positive impact on performance (Armstrong & Murlis, 1994: Luthans, 2005; Odendaal, 2009; and van der Merwe *et al.*, 2009:77).

Effective formal recognition schemes have two things in common. Firstly they are designed to reward effective employee performance behaviour and enhance employees' satisfaction and commitment, which leads to improved performance and retention (van der Merwe *et al.*, 2009:78). Secondly, they are made to meet the specific and ever-changing employee needs. Recognition schemes, therefore, often vary widely from company to company and they are continually modified to address the current needs of employees in a unique manner (van der Merwe *et al.*, 2009:78).

A survey which was conducted by Huff (2006) found that rewards that are most frequently used to motivate employees include employee recognition programmes such as gift certificates (vouchers), special events, cash awards, merchandise incentives, e-mail/print communication, training programmes, work/life benefits, variable pay, group travel, individual travel and sweepstakes (van der Merwe *et al.*, 2009: 93).

Marchington and Wilkinson (2008) cite the results from a survey, which show that recognition initiatives such as vouchers or badges and holidays (although small in terms of absolute cost) have a powerful significance for employees (van der Merwe *et al.*, 2009: 93).

In terms of the job function, job position and socio-demographic variables, it appears that employees, depending on various demographic variables, certainly have different requirements with regard to the type of non-financial recognition that they prefer. Participants at executive, senior management and management levels indicate a higher preference for tangible types of recognition, whereas those at line manager, general staff

and entrant level show a greater preference for work-related types of recognition (van der Merwe *et al.*, 2009: 93).

Research by Arnolds and Venter (2007) also suggest that whereas financial and other tangible incentives such as pay, benefits and praise may be more motivating in the short term, in the long run nonfinancial incentives such as challenging and interesting tasks and various forms of genuine social reinforcers in the form of formal and informal organisational rewards (contingently administered for performance of the target behaviour), are more motivating. Moreover, receiving extrinsic rewards only may even results in a decrease in intrinsic motivation with regard to future tasks (Luthans, 2005; and van der Merwe *et al.*, 2009:77).

Arnolds and Venter (2007) found for example that lower-level employees find flexible working hours motivational and to the extent that this policy is applied in jobs via teamwork strategies, it generally increases motivational levels. Further, their finding shows that time off from work, albeit in the form of paid holidays or sick leave, satisfies employees' need to spend more time with their families and attend to important personal matters (van der Merwe *et al.*, 2009:79).

2.7.2.11 Person fit with company culture

Gordon (1999) points out that organisational culture deals with the company's internal environment in relation to the assumptions, beliefs, and values that the members of the organisation share, which guides the way in which they function. When organisations recruit new employees, often the final decision around who is hired is significantly influenced by the judgement of the person making the decision on how well the person fits into the company culture (Robbins, 1998).

According to Corporate Leadership Council (2004) research, employees who do not fit a particular role or with a company's culture will be more prone to have low morale, decline in productivity and a need to exit the organisation. Literature strongly supports this notion that employees remain with an organisation if the culture of commitment is strong. People are more prone to remain with a company if the workplace culture fitting

is perceived to be good with an employee's personal interests, orientation and attitudes (Harris and Brannick, 1999).

2.7.2.12 Cutting-edge work

Mumford (1972) suggests that qualified specialist employee groups may have certain group expectations such as the need for challenging work, whereby they gain satisfaction through their problem solving and innovative abilities. The Corporate Leadership Council (2004) highlights that cutting-edge work is a key driver of retention.

2.7.2.13 Advancement opportunities

Career opportunities and advancement is regarded by Kochanski and Ledford (2001) as a much greater forecaster or indicator of retention than any other type of reward. Baruch (2004) concedes by highlighting that perception about a company's career orientated practices and processes such as internal promotions, training and development and employment security are constructively linked to employee commitment.

2.7.2.14 Development or learning opportunities

Tomlinson (2002) points out the critical importance of organisation's ensuring that their employees are effectively trained in all the latest technologies to ensure that the organisation has a leading edge. The principle methodology through which training and development is forecasted to enhance organisational commitment is through a process of enhanced self-worth and importance (Dockel *et al.*, 2006). According to Chang (1999), when employees believe that the organisation is investing in their learning and development by providing proper training to enhance their skills, it creates feelings of self-worth and attachment to the organisation.

Training should impart new knowledge and skills if the training is relevant, meet employee and organizational needs, and is efficiently and effectively designed and

delivered (Salas, 2000). When the results of training reflect in improvements in relevant knowledge and the acquisition of relevant skills, employee job performance should improve, provided that the skills that are learned in training transfer to the job (Salas, 2000). Improvement in performance such as productivity, quality, and services are the training outcomes, provided that the job is strategically aligned to the organization's needs. For individual, if the desired needs of the employee are fulfilled through the training programs provided, then there is no doubt that the desired outcome by the organization, namely to retain their employees, will be reached.

Landsman (2004) suggests that training is a valuable activity to enhance skills and improve staff performance and that training can address some of the factors, which contribute to staff retention such as perceived support from the supervisor, the agency, and community. Training can define roles more clearly for employees in order to minimize job stress. Organizations that have sufficient training opportunities should thus have a higher retention rate. However, training alone cannot address all of the factors that contribute to staff retention, as these are also factors such as excessive caseloads and promotional opportunities within the agency. It is, therefore, reasonable to state that training can play a role in improving retention, but it may not be sufficient to improve retention if other systematic barriers are not been addressed.

2.7.2.15 Personal 'buy in' to business strategy

DeConinck and Bachman (1994) believe that when organisations place emphasis on intrinsic variables it will create greater affective commitment amongst talent. This may be displayed in behaviours such as a strong belief in and acceptance of the organisational principles, values and ethics as well as goals (Tett & Meyer, 1993). Heathfield (2007) highlights the importance of integrating core values about people, as well as creating a mission and vision that encourages people to align themselves with the direction of the company. Regular communication around the importance of managers who demonstrate these behaviours are also critical.

2.7.2.16 Team work

According to Robbins (1998), the introduction of teams into the workplace has significantly influenced the way in which employee jobs are viewed. This movement has required employees to cooperate with others, address diversity, share information and conceal personal needs for the good of the team, which for many employees has become difficult. Teams can provide employees a degree of self-control, human dignity, identification with the work, and sense of self-worth and self-fulfilment that talent seem to strive for (Moorhead & Griffin, 1998). According to Lochhead and Stephens (2004), teams must be open to having their outputs appraised and evaluated to measure success and each team member must be accountable for certain specific responsibilities towards other team members.

2.7.2.17 Pleasant daily work experiences

To ensure the retention of key talent, Heathfield (2007) recommends that employers should demonstrate respect for employees at all times and create opportunities for people to enjoy their daily work lives by making work fun and by engaging and employing the special talents of every employee. According to research by the Gallup organisation, employers must encourage employees to develop good or even best friend relationships with other employees (Heathfield, 2007).

2.7.2.18 Mentoring/ coaching programme

Woodruffe and McFarland (2006) outline the benefits of formal mentorship programmes for employees and organisations, which suggest that for employees it can lead to higher salaries, promotion and job satisfaction, while organisations can leverage on these to attract, develop and retain talent. Three different types of mentoring that can take place have been highlighted, namely providing sponsorship and visibility in the organisation (career mentoring); providing friendship (psychosocial mentoring) and providing a positive example (role-modelling) (Woodruffe & McFarland, 2006).

Mentoring and coaching are valuable tools for the transference of both intangible, as well as tacit knowledge. Mentoring and coaching are particularly useful for inter-generational knowledge transfer especially for the retirement of key employees (Frank, 2002).

2.7.2.19 Availability of teambuilding exercises

Teams that are effective usually have a common purpose that provides direction, momentum, and commitment to which all members of the team aspire. Successful teams invest a great degree of time and energy into discussing, shaping and establishing this common purpose through teambuilding that ends up belonging to them collectively and independently (Robbins, 1998). Teambuilding activities are usually aimed at intact work groups, which focus on the development of team members through goal setting, development of interpersonal relations, and clarity of roles and responsibilities (Swanepoel *et al.*, 1998).

2.7.2.20 Status

Maslow's hierarchy of needs articulates that people have five levels of needs. As the lower level needs are fulfilled, the next higher order needs become relevant and thus becomes powerful motivators. Status links to Maslow's third need of self-esteem, which includes internal mental states such as autonomy and achievement, as well as external factors such as needs that are linked to status, recognition and attention (Swanepoel *et al.*, 2000).

They go on further to suggest that status symbols may vary at different levels of the organisational hierarchy and can include things such as office space, desk size and carpeting that have a degree of motivational value attached to them for employees (Swanepoel *et al.*, 1998).

2.7.2.21 Performance evaluation and feedback

According to Robbins (1998), performance evaluations provide input into significant employee decisions such as promotions, transfers, terminations, as well as identifying employees' development needs. Evaluation feedback to employees is critical to provide insight into the organisation's view of their performance. Performance evaluation scores are also used as input into the allocation of rewards (Robbins, 1998).

Performance appraisal is a process of inspecting and evaluating an individual's performance in his/her duty to facilitate the decision of the individual's career development of the individual. It evaluates the individual's overall contribution to the organization through assessment of his/her internal characteristics, working performance and capability to pursue a higher position in the organization (Gruman & Saks, 2011). Performance appraisal plays a medium of communication role between management and employee. An effective appraisal will result in enhanced employee development from feedback, as well as from better employee satisfaction comprehension by the company.

2.7.2.22 360-degree feedback

360-degree evaluations and feedback has become a common practice for performance evaluations in recent years (Robbins, 1998; Moorhead & Griffin, 1998).

2.7.3 Company environment

Some people want to belong to a company with a top-class reputation, one that has a culture and a positive workplace to match (Marketing Week, 2007; Snyder, 2007; & Govender & Parumasur, 2010: 247).



Figure: 2.11: Towards an Integrated Retention System
Adapted from <http://www.googleimages.com>, n.d)

Birt *et al.* (2004) refer to the work or development environment as intrinsic in nature. Kaye and Jordan-Evans (2002) note that although the importance of extrinsic variables such as reward and compensation played a key role in the retention of talent, intrinsic variables such as meaningful and challenging work, good supervisors and development opportunities were regarded as more important in influencing retention.

Lochhead and Stephens (2004) found that HR literature supports the view that creating a satisfactory working environment for employees was strongly linked to retention. They point out that these factors or 'motivators' include the following:

- A stimulating working environment that embraces and capitalizes on peoples skills and knowledge, encouraging innovation and creativity and allowing employees to exercise a degree of independence;
- Career and development opportunities to enhance skills and job responsibilities;

- Communication that is two-way, open, honest, and which provides insight into business priorities;
- Opportunities for involvement in decisions that impact employees;
- Compensation and benefits that are effective and flexible;
- Work-life balance; and
- Respect and support from seniors and peers.

Lochhead and Stephens (2004) assert that organisations that are inflexible and autocratic will inevitably have unhappy employees irrespective of the attractive incentives that are offered. They, therefore, point out that the following factors or 'demotivators' can play a big role in employees leaving an organisation:

- Lack of control over one's work;
- Unchallenging work;
- Learning and development opportunities being limited;
- Higher remuneration packages or better benefit offerings from competitors;
- Job insecurity; and
- Organisation's future.

2.7.3.1 Company reputation

Cable and Turban (2001) maintain that the limited availability of key talent has led to organisations being in competition with each other to attract and retain the best and brightest people. Furthermore, they state that harnessing the organisation's reputation will augment a company's ability to attract and retain top talent.

Dutton, Dukerich and Harquail (1994) differentiate between reputation and identity by suggesting that identity deals with those attributions that are made by the employees of a company, while reputation links to attributions, which are made by people external to the organisation. In the Towers Perrin Global workforce study which was conducted in 2005, an organisation's reputation as a good employer was the number five driver of retention for employees sampled according to O'Neal and Gebauer (2006). They also suggest that employees need leadership to provide vision and inspiration and hence an

organisation's reputation is strongly linked to how the senior management team is viewed. Building such reputation, therefore, becomes an important factor for a company's competitive advantage (O'Neal & Gebauer, 2006).

2.7.3.2 Senior team reputation

Research has indicated that nine out of 10 employees have had a breach of trust experience in the workplace, which may result in a breakdown of employee morale, poor performance and employees disengaging and leaving the organisation (Reina & Reina, 2007). Organisations that yield trustworthy managers are often not exposed to the effects of high turnover, as their employees stay. This is the result because where trust is nurtured, employees feel free to take risks and explore innovation and creativity, have higher levels of energy, work together with their colleagues, are responsible and have client service at the top of their agenda, which effectively promotes good business results (Reina & Reina, 2007).

2.7.3.3 Fairness

The equity theory asserts that individuals compare their job inputs and outcomes with those of others and respond accordingly in order to eliminate any inequities (Robbins, 1998). Correspondingly, Johns (1996) implies that the equity theory declares that employees should weigh the inputs that they devote to their jobs and the outcomes that they obtain as a result of these inputs against that of some other relevant person or group. Johns (1996:174) states that "when these ratios are equal, the employee should feel that a fair and equitable exchange with the employing organisation. Such fair exchange contributes to job satisfaction. When the ratios are unequal, employees perceive that inequity exists, and they should experience job dissatisfaction, at least if the exchange puts the employee at a disadvantage vis-a-vis others."

Fisher *et al.* (1999) indicate that these employee inputs may comprise of experience, education, special skills, effort, and time worked, whereas the outcomes may include pay, benefits, achievement, recognition, and any other type of rewards. In equity theory

employees may compare themselves to individuals who are relevant; such as friends, neighbours, colleagues, or to jobs that they may have been attached to in the past. This theory, therefore, acknowledges that individuals are concerned not only with specific rewards or recognition that they are awarded with for their inputs and efforts, but also with the connection of the value of this to what others receive. These then result in judgments that are made based on the connection between their inputs and outcomes and that of others (Robbins, 1998).

These judgments regarding perceived inequity may result in unpleasant feelings and tension, and individuals may apply a significant amount of energy to lowering this inequity in order to attain equity or a sense of fairness (Johns, 1996).

2.7.3.4 Employment equity

Employment equity is defined by Meyer (2002) as the end result of enforcing equal opportunity, affirmative action and diversity management. The aim of the Employment Equity Act is to achieve a diverse workforce, which is representative of the population (Uys, 2003).

2.7.3.5 Organisational change readiness

Change readiness has been described as the best attitudinal predictor of commitment and support for change. Its opposite, resistance to change, manifests itself in a number of different ways such as an increase in grievances, high levels of employee turnover, low efficiency, restriction of output and aggression towards management (Benebroek & Gravenhorst, 2003).

2.7.3.6 Organisational size and stability

The age of an organisation usually influences the size of an organisation, as well as the degree to which behaviour within the organisation becomes standardized and entrenched. The size of the organisation also influences the span of control that is applied, whereby bigger organisations encourage more bureaucratic structures (Gordon, 1999). Therefore, Gordon (1999) points out the importance of organisations to strive to remain flexible and adaptable as they age to ensure that they retain valued employees, and hence ensure their survival.

2.7.3.7 Competitive technology level

According to George and Jones (2005), job insecurity can result in the creation of stress for employees and their families and severely impact on the wellbeing of employees. Increasing automation in the workplace has become an indicator of change for employees, which has resulted in employees becoming concerned about their job security (Gordon, 2003).

2.7.3.8 Cultural diversity

Strydom and Erwee (1998) regard diversity as a synonym for multiculturalism, which refers to many cultures. O'Mara (1994) refers to multiculturalism as a system in which differences in others are valued, and where the environment is free from assimilation. Cox (1993) acknowledges that diversity is about planning and embedding organisational systems and its practices in such a way that the organisation leverages fully from its advantages while its limitations are minimized. This is with the intent of maximizing the abilities of all employees to achieve their full potential and to effectively contribute to organisational goals.

2.7.3.9 Networking opportunities

Robbins (1998: 6) defines networking as “socialising, politicking, and interacting with outsiders”. A study of 450 managers revealed that amongst successful managers, in line with their speed of promotion in the organisation, networking was the biggest contributor to their success, which highlights the importance of social and political skills to advance within the organisation. Swanepoel *et al.*, (1998) also emphasize the significance of networking by recommending that employees should join specific associations within their company or become involved in work group or other related activities.

2.7.3.10 Open communication/ transparency

According to Robbins (1998), communication fosters motivation as it aids to provide clarity to employees about how well employees are doing and what they need to do to enhance their performance. Furthermore, communication is a mechanism for employees to release their emotional expression of what they are feeling, as well as their fulfillment of social needs (Robbins, 1998).

Cook and Jagers (2005) highlight the importance of open, honest and relevant communication that reflects the culture and values of the organisation. Furthermore they suggest that employers must use communication to inform their employees that their contribution is important, and encourage employees to speak their minds freely. When employees feel free to give feedback, offer ideas and even criticize they are allowed to express their commitment to the enhancement of the organisation. Employees who feel that they cannot tell the truth will leave (Cook & Jagers, 2005).

Lochhead and Stephens (2004) concur that communication is a vital component for employee retention. Communication around business performance, industry trends, HR practices and all benefits that are offered to employees them an opportunity to create positive judgments about their organisation which makes employees feel included, and this reinforces reinforcing trust. Communication is, therefore, regarded as a basic building block of any retention strategy (Lochhead & Stephens, 2004; Kaye & Jordan-Evans, 2000).

2.7.3.11 Formal information/ knowledge sharing

Lochhead and Stephens (2004) articulate that the link between employee retention and knowledge sharing concerns the effective management of skills to ensure the right mix and level of skill to attain the required business objectives. Knowledge sharing may include cross-training, coaching and mentoring, job rotation and phased-in retirements with the support of technology-based tools.

Knowledge management can have a substantial positive impact on retention and is usually premised on the basis of good communication, the enhancement of skills in the workplace, as well as valuing employees' contribution. Knowledge transfer can occur through job rotations, cross training, and job pairing (Bontis, 2003).

2.7.3.12 Organisational support and commitment

The path-goal theory suggests that a leader is responsible for ensuring that employees achieve their goals and objectives by providing the necessary support and direction in line with the goals of the organisation. This theory is based on the foundation that an effective leader assists with making the path for the achievement of goals more visible and making the journey for the employees free from any stumbling blocks or pitfalls (Robbins, 1998).

Allen and Meyer (1990) regard organisational commitment as attitudinal in nature, which relates to employees' mindsets about the organisation. Dockel *et al.* (2006) propose that organisational commitment is formed when a person is employed within the organisation. Organisational commitment is the way in which an employee identifies with the organisation, and is a better predictor of turnover (Robbins, 1998).

2.7.4 Work-Life Balance

Research which was conducted by Deery (2008) reviewed literature that revealed that work-life balance (WLB) plays a role in employee turnover. The research by Doherty (2004) and Maxwell (2005) provide insights into the link between work-life conflict and employee turnover. Maxwell suggests that managers are key to the initiation and implementation of work-life balance (WLB) policies, with some of these policies being the introduction of flexible working hours and arrangements, providing better training, breaks from work and better work support.

Implications for the workplace to retain staff include a range at both the government and organisational level. Hence, employee turnover causes such as stress, work overload, low job satisfaction and little organisation commitment can be alleviated, while retention rates of good staff improved (Deery, 2008:803-804). It would appear that the conflict between work-home can cause both job dissatisfaction and hence an intention to leave the organisation, as well as conflict with family members activities. Strategies to ameliorate these tensions have been introduced into a number of organisations, but there is still substantial improvement and trailing of such initiatives to ensure a better balance (Deery, 2008:800).

Empirical studies which assesses the effects of work and family benefits on organisational commitment conducted by Grover and Crooker (1995). They found that employees who have access to work/life policies expressed greater organisational commitment, which substantially reduced their intention to leave their jobs. These work/life benefits included parental leave, flexible work hours, childcare facilities and information. Mobley (1982) regards alternative work arrangements as a key factor that targets employee turnover and increases employee retention. Mobley (1982) suggests that these include partial shifts and flexible working hours with the intention of creating a balance between individual and organisational goals.

Being flexible in terms of work-life balance can further enhance retention within organisations (Adkerson, 2000; Claus, 2007). Recent literature suggests that employees are more and more looking to balance work-life (Lockhead & Stephens, 2004).

According to Claus (2007); Adkerson (2000); and Lochhead and Stephens (2004) this may be attributed to the emergence of the 'baby boomers' and the fact that employees no longer regard remaining at the same organisation for the rest of their careers as being important. Organisations should thus allow and establish processes to enhance employee work-life balance (Claus, 2007).

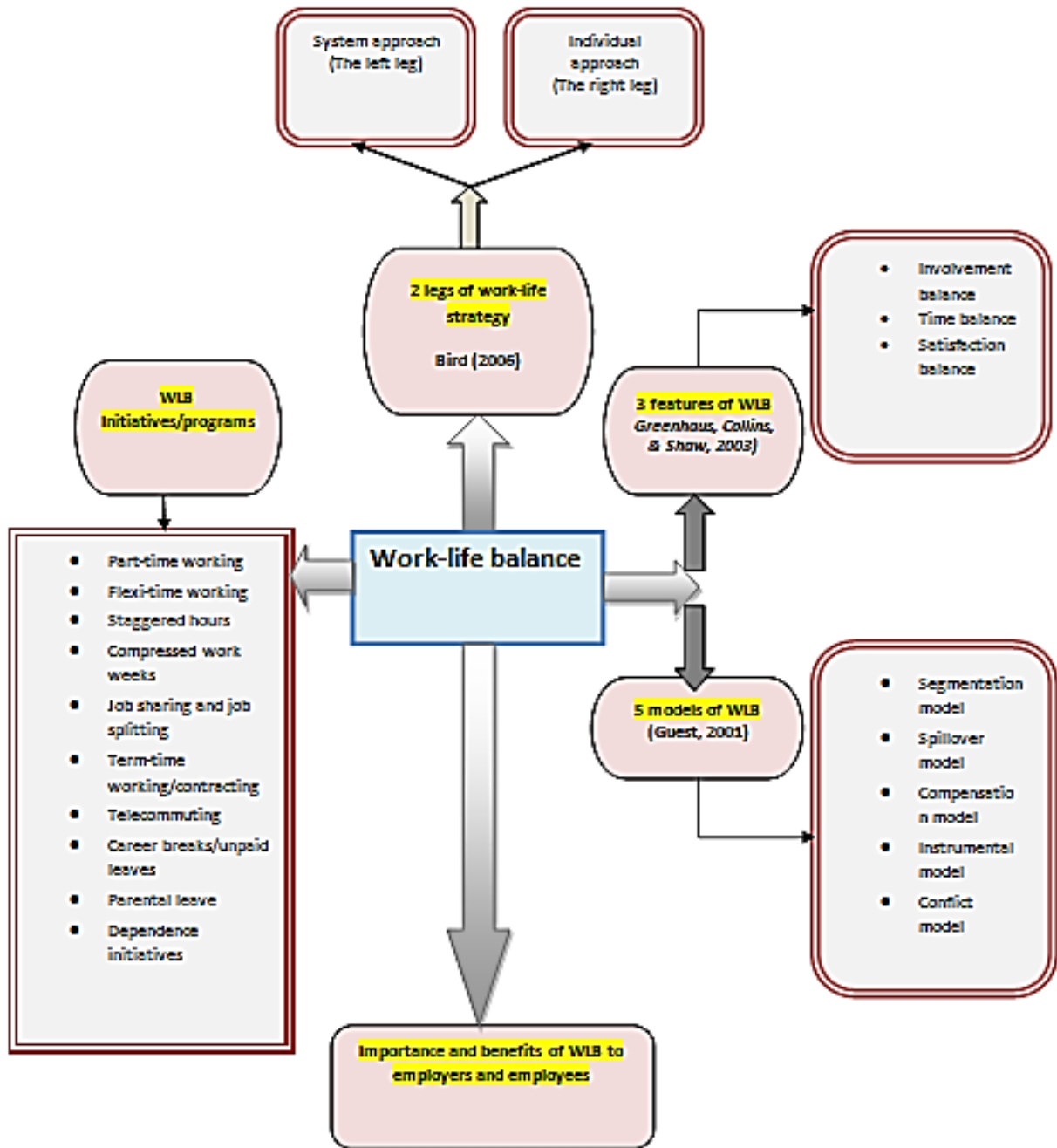


Figure 2.12: The two legs of the work-life strategy
(Adapted from Bird, 2006)

The right leg represents the individual approach that asks how individuals balance their own work-lives. Bird (2006) further posits that if organisations have already resided to implemented employee assistance programs, it would have already formed a left leg.

Work-life balance consists of three distinct aspects that have only been added recently to the body of literature.

Hudson (2005) identifies these aspects as follows:

- 1) Time balance- encapsulates the amount of time that is allocated work and non-work roles.
- 2) Involvement balance- encapsulates the degree of psychological involvement in work and non-work roles.
- 3) Satisfaction balance- encapsulates extent of satisfaction that is experienced with work and non-work roles.

Hudson (2005) further believes that this model of work-life balance, including these three aspects, afford researchers an opportunity to not only obtain a broader perspective, but also an inclusive one. In order for organisations to ensure that their employees have a balanced work-life, they s implement strategies or approaches, which are capable of doing just that.

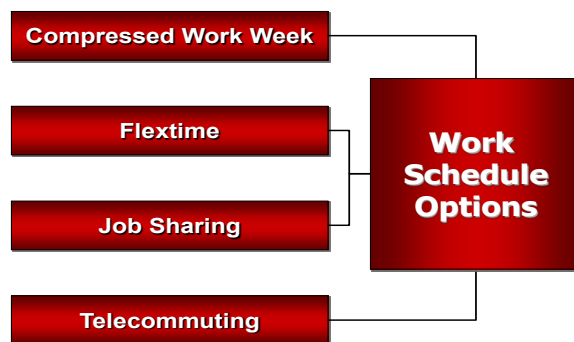


Figure: 2.13: Work Schedule Options
(Adapted from Robbins, 2009)

2.7.4.1 Child care facilities

Because a large percentage of the workforce are working mothers with young children and a considerable number of working men who responsible for young children, child

care facilities are becoming a popular need for a large part of the workforce (French, 2003).

At times employees might need to take a break to take care of sick dependents, or for other family commitments. Organisations that allow employees this privilege requires that employees resign, and should commit to allow employees to return afterwards (Fun, 2007). It creates an opportunity for the organisation to retain valued employees, and hence enhance and ensure that valued skills are kept at the organisation to better attain objectives (Hudson, 2005). The risk lies in the fact that employees' might return when change has taken place and might find it difficult to adapt. Furthermore, the organisation might have outgrown that particular employee's skills (Yasbek, 2004).

2.7.4.2 Extra vacation/ longer annual leave

Companies are giving significant attention to organisational practices related to family leave, which may include taking care of infants, family members or close relatives who are ill (French, 2003).

According to Fun (2007), organisations use sabbaticals to reward employees for long service, and allow employees long breaks as rewards. Fun (2007) further postulate that employees might return to the organisation with new skills, enhanced current skills and other experiences, which will increase their performance. Furthermore, it affords organisations a chance to develop other employees in the absence of those who enjoy sabbaticals (Yasbek, 2004). Hudson (2005) advises organisations to think carefully before granting employees sabbaticals, as conditions regarding the return of such employees might change during the course of the sabbatical, and may lead to legal action from the employees' side.

2.7.4.3 Flexible working hours

Moorhead and Griffin (1998) point out that working for an organisation that offers flexible work schedules may be regarded as attractive to retain key talent. Flexible working

hours has become an extremely popular scheduling option and allows employees to exhibit a degree of discretion regarding how they distribute the hours that they work for the week (Robbins, 1998).

According to Fun (2007) and Hudson (2005), part-time working is flexible. The individual may work mornings only, or afternoons and may start work later and finish earlier than a full-time employee. Basically, part-time employees work fewer hours than a full-time employee, with effectively more flexible working hours (Fun, 2007). Yasbek (2004) argues that it is a valuable tool to retain valued employees who cannot work full-time, but it may lead to an increase in costs for the organisation, as they have to hire 'extra' help (Fun, 2007).

According to Fun (2007) and Hudson (2005) flexi-time affords employees an opportunity to change their working hours as it suits them, given that they still work the required hours for the week and that it does not cause any disruption to the organisations performance. Benefits include that working hours can be arranged to meet the organisation's requirements in terms of peaks and heavy workloads (Yasbek, 2004). Furthermore, it is a tool for employees who are not tied to production lines and shift patterns.

The most valued benefit, according to Hudson (2005), lies in the freedom that employees enjoy by managing their own working weeks, and according to their own personal requirements. However, Fun (2007) warns that it might cause problems if organisations do not have the capacity to provide cover for employees who make use of flexi-time. During flexi-time employees might work unsupervised, which might lead to a decrease in employee performance.

Compressed work weeks, according to Fun (2007), allow employees an opportunity to work their full required number of working hours per week, in fewer days. For instance, if an employee needs to work forty-five (45) hours a week, five (5) days a week, then they can work the forty-five hours in four (4) days and take the fifth day off. Hudson (2005) postulates that it can assist companies in their recruitment success as well as decrease overtime, employees not showing up for work and increase employee retention. Furthermore, it allows employees to have longer resting periods and subsequently then

spend more time with their families especially pertaining to long week-ends. However, Yasbek (2004) states that employees can become fatigued owing to longer working days, which might affect their performance at work and lead to other problems such as stress.

2.7.4.4 Option to work from home

Often referred to as telecommuting, whereby employees do their work from home on a computer that is linked to the office, telecommuting has many benefits, among which includes an increase in productivity, employees scheduling their own work hours, reduction in costs related to office space, and time spent in traffic (French, 2003).

Since the turn of the 21st century when technology and employee well-being assumed its place at the forefront of organisations' efforts to compete and remain competitive in international markets, organisations have subsequently been expecting more from their employees (Perrons, 2003; Lockwood, 2003). Perrons (2003) argues the phenomena of eroding traditional and fixed working days are slowly but surely becoming a thing of the past, and substantiating the increased expectation from organisations regarding their employees. According to Doyle and Reeves; Fagan; Hochschild; and McDowell, as cited in Perrons (2003), employers expect employees to work for longer hours to show their commitment. This of course is a misperception from management on how to engage employees (Lockwood, 2003).

Due to technology, employees now have an option of working from home (Fun, 2007). It affords them an opportunity to still complete tasks in an environment where they may feel more comfortable (Yasbek, 2004). Benefits include that it can reduce costs in terms of office equipment and space that can be utilized in other ways (Yasbek, 2004). Ultimately it may lead to improved performance, and it also allows employees a chance to better perform their responsibilities at home (Hudson, 2005). It may cause employees to feel isolated while health and safety measures should be established that may lead to increased costs (Bird, 2006). The employees might also be distracted from performing their duties if children, for instance, are at home (Fun, 2007).

2.7.4.5 Geographic location from home

The relocation requirements of an organisation and its impacts on employees and their families have received greater attention in recent years. The possibility of relocation has particularly negative impacts on dual-career couples and families that have with young children, particularly teenagers, whereby the effects may result in the resignation of employees if it is an involuntary transfer (French, 2003).

2.7.4.6 Business travel and global exposure

Moorhead and Griffin (1998) points out that an employee who has a number of dependents may not favour a job with lots of travelling, whereas a person that has no dependents may want and enjoy job related travel, which will depend on the compatibility of an individual's personal and work life dimensions.

2.8 Summary

This chapter has presented an overview of literature, which relate to retention. According to Thompson (2002) and Gratton (2004), employers should acknowledge the importance of both monetary and nonmonetary reward as well as recognition initiatives in the motivation and retention of their employees (van der Merwe *et al.*, 2009:76). Employee motivation, level of satisfaction and work performance are determined by the comparative strength of the needs and expectations of various sociodemographic groups, and the extent to which they are met (Aamodt, 2007; Robinson 2006; Van der Merwe *et al.*, 2009: 76).

Employees' needs and expectations can be related to valued outcomes, which are external and provided by others such as compensation, promotion, opportunities for learning and growth, praise and tangible forms of recognition (Van der Merwe *et al.*, 2009:76).

Intrinsic motivation is related to valued customers or benefits that come from individuals themselves such as feelings of satisfaction, wellbeing, quality of treatment, being kept informed and social recognition (Buchanan & Huczynski, 2004; Kotze, 2004; Luthans, 2005; Robinson, 2006, & van der Merwe *et al.*, 2009: 76).

The next chapter discusses the research design and methodology and focuses on the data collection instrument, hypotheses, data analysis techniques and presents ethical issues, which were adhered to during the execution of the research.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a framework of the methodology of this research and the research design that was utilised to determine the investment into talent management for the retention of key talent employees within DEDAT, a department in the Western Cape provincial government. The chapter commences with a theoretical background to motivate the methodology, the selection of the sample group for the study, and the procedure that was pursued to gather the data. It also includes an overview of the measurement instrument which was a questionnaire. An outline of the ethical considerations and confidentiality principles is also included to ensure that the study is successfully implemented.

3.2 Research design

A non – probability sampling technique was used by means of a convenience sampling method to ensure appropriate gathering of data. This sampling method was chosen explicitly owing to ease of accessibility and availability of the respondents. This technique also further enabled the research design process, as it proved to be less time consuming and inexpensive to gather the necessary research information.

The technique involved collecting information from members of the population who were easily accessible and readily available for the purpose of the research that was conducted.

Sekaran (2000) also supports this view by stating that the advantages of the non – probability sampling technique include that it is less complicated, less time consuming, generally less expensive and may have been experienced to be more free from statistical complexity. In order to be aware of some of the possible delimitations of this sampling technique, it is important to highlight that Leedy (1993) found that convenience sampling is not always representative of the population and, therefore, could

compromise the generalisability of the research results to that of other populations. This therefore suggests that owing to a non – probability sample being used in this study, the external validity of the study was compromised.

A quantitative, cross sectional methodology was used for the assessment of retention amongst DEDAT employees. A survey design was used to achieve the research objective (Shaughnessy & Zeichmest 2003). Advantages of the survey research approach include savings of time and money, a lack of interviewer bias, accurate results, more privacy for participants, and the fact that samples should be large in relation to the population (Salkind, 1997).

3.2.1 Population

The population group for this study included key talent employees within the Department ranging from middle to senior management, which consists of managerial, specialized and scarce skills positions. The population size that was used in this study consisted of forty-seven (47) key talent employees on the employment skills level from middle management to senior management. This includes staff on salary levels, which range from Deputy Director (level 11) to Head of Department (15).

3.2.2 Sample

Due to the small population size and target group, which was required for this research study, the selected sample size included all the managers within the population. The convenience sample of forty-three participants consisted of managers within the department. For the purpose of this research, 47 questionnaires were issued to the entire population with the desired number of questionnaires being returned namely 30. Forty-three (43) questionnaires were returned, which constitutes a return rate of 91%. Sekaran (2003) maintains that any sample that is larger than 30 but less than 500, can be considered appropriate for most research endeavours. A 30 percent (%) response rate is considered acceptable for most research endeavours.

This type of sampling for the present study was chosen owing to the specific target group, which was required to conduct this research study. The talent pool for the Department was identified between the middle to senior management employment category.

3.2.3 The Sampling procedure

At the start of the research study permission was requested and permitted by the Department of the Premier, Provincial Government Western Cape to conduct the study at DEDAT, a department in the Western Cape provincial government.

The research is of interest to the department and the overall Western Cape provincial government. Permission was, therefore, granted to the researcher to access the details of the organisational structure to successfully conduct the research.

The researcher targeted one provincial department where she is currently employed to be able to easily access the sample group for this study. An arrangement was made for the researcher to circulate the questionnaire to the sample group within DEDAT. Participants were provided with a background for the purpose and objectives of this study. A confidentiality clause was included, which informed respondents that their participation was voluntary, that their responses would be completely anonymous and confidential, and that the data that was collected would be used for the purpose of this study only.

The 47 questionnaires were administered to the entire population of 47 talent employees at the Department via an internal memorandum with a covering letter, which outlined the purpose of the research, as well important information regarding the completion and return of the questionnaires. To ensure anonymity amongst the respondents, participants were requested to submit the questionnaire to the researcher within 2 weeks upon receipt of the questionnaire. Clearly marked boxes were made available on relevant floors within the departmental building for respondents to easily submit their completed questionnaires.

Participants were urged to complete each section of the questionnaire. However, where the respondents did not feel comfortable to respond, the voluntary request to complete was outlined to encourage as many responses as possible for the purpose of the study. Weekly follow-ups were made with the respondents to encourage submission and to deal with any questions that could be addressed with an aim for a high return success rate.

3.2.4 Main problem: measuring instrument

3.2.4.1 Self-developed questionnaire

An adapted questionnaire based on the research of Birt *et al.* (2004) was used to assess the critical retention factors as identified by employees within the provincial department where the research was undertaken.

3.2.4.2 Nature and composition of the questionnaire

The questionnaire consisted of two sections namely Section A and Section B, with section B having the bulk of the work related variables that would be assessed.

The questionnaire was compiled based on literature information that was reviewed, including Birt *et al.* (2004). Section A focused on the biographical information. Section B included 49 work-related variables that could potentially impact on talent retention. Respondents were requested to rate these variables in terms of their level of importance to be attracted to or to stay with a company by using a 4 point Likert scale: crucial (this is a 'make or break' characteristic for me in the job); fairly important (this is a significant plus or minus factor, but not make or break); neutral (this would be nice to have, but it would not matter if it was not there); and irrelevant (this would not attract me to a company) (Birt *et al.*, 2004).

YES = Y (this variable is in place); and
NOT SURE = NS (not sure if this variable is in place)

There were four (4) main categories of the work related variables that was assessed:

- Development and work environment;
- Compensation and benefits;
- Company environment; and
- Work-life balance

The following table outlines the 4 categories and the work related variables that were measured under each of them.

Table 3.1: Main category groupings of work related variables in Section B:

Work/ development environment

- Very high manager integrity and quality
- Role clarity
- Challenging and meaningful work
- Autonomy/independence
- Empowerment and responsibility
- Productive and friendly work relationships
- Excellent co-employee quality
- Internal mobility
- Exposure to new opportunities/challenges
- Recognition
- Personal fit with company culture
- Cutting-edge work
- Advancement opportunities
- Development or learning opportunities
- Personal 'buy in' to business strategy
- Team work
- Pleasant daily work experiences
- Mentoring/ coaching programme
- Availability of teambuilding exercises
- Status
- Performance evaluation and feedback
- 360 degree feedback

Compensation and Benefits

- Guaranteed base salary
- Variable pay (performance related)
- Share awards
- Health benefits
- Retirement benefits
- Short Term Incentives (STI's)
- External equity (market related pay)
- Internal equity (remuneration)

Company Environment

- Competitive technology level

- Company reputation
 - Senior team reputation
 - Fairness
 - Employment equity
 - Organisational change readiness
 - Organisational size and stability
 - Job security
 - Cultural diversity
 - Networking opportunities
 - Open communication/ transparency
 - Formal information/ knowledge sharing
 - Organisational support and commitment
-

Work-life balance

- Child care facilities
- Extra vacation/ longer annual leave
- Flexible working hours
- Option to work from home
- Geographic location of work
- Business travel and global exposure

(Adapted from Birt *et al.*, 2004)

3.3 Ethical statement

In accordance with the discipline of Psychology, the Ethical Code of conduct (APA) was strictly adhered to, whilst taking cognizance of the following principles, which are presented below.

- Quality and integrity of the research
All efforts were made to ensure that during the respective phases of the research (that is, data collection, data analysis, reporting, as well as the dissemination of the findings) that ethical standards were strictly adhered to.
- Informed consent
Informed consent was obtained from each participant before they completed the questionnaires.
Respondents were required to complete and sign a consent form prior to taking receipt of the questionnaires.
- Confidentiality and anonymity
Respondents were assured that they would remain anonymous, as no identifying information would be required and all information provided would be treated confidentially.
- Voluntary participation

Participants were informed that their participation was voluntary and that they could withdraw at any point without any repercussions.

- Avoid harm to participants

Respondents were not harmed in any way, be it physical or emotional.

3.4 Statistical techniques

The data analysis plan of the study was guided by the purpose of the study. The Statistical Package for Social Sciences (SPSS) version 21 was used to analyse the research data. The data analysis included descriptive, as well as inferential statistics.

3.4.4.1 Descriptive statistics

Descriptive statistics were applied to describe the unprocessed data in an understandable way. De Vos (1998) indicates that the purpose of utilising descriptive statistics is to condense data to a logical and interpretable structure in order to study, test and provide conclusions in terms of the relations of research problems. The descriptive statistics that were appropriate for this research include percentages and the measurement of means and standard deviations.

3.4.4.2 Inferential statistics

According to Sekaran (2003), inferential statistics allow the researcher to make conclusions about a population from a sample. Moreover, inferences can be made regarding certain characteristics of interest for a population by using data from the sample set.

3.4.4.2.1 Mann-Whitney

The Mann-Whitney allows a statistical test of the difference between the distributions of data that was collected in two experimental conditions, and applied to unmatched groups of subjects by comparing the distributions of the ranks of the scores (Sekaran, 2003). This statistical method was appropriate to establish if there is a significant difference in retention amongst employees based on their gender.

3.4.4.2.2 Kruskal-Wallis

While the t-test is used to determine whether there are significant mean differences between two groups, an analysis of variance (ANOVA) can be used to examine whether significant mean differences exist between more than two independent groups with regards to an interval-scaled variable (Sekaran, 2003).

In order to use ANOVA, all parametric conditions must be satisfied. If this is not the case, the Kruskal-Wallis H-test should rather be used (Sekaran, 2003). The Kruskal-Wallis H-test allows a statistical assessment for an association between more than two variables (Sekaran, 2003). Hence, the selected statistical method was used to establish if a significant difference exists in retention variables amongst employees based on their age.

3.4.5 Reliability analysis

Cronbach's alpha was used to assess the reliability of the scale. Reliability refers to the consistency of measures (Bless & Higson-Smith, 1995). Cronbach's alpha is viewed as an index of reliability, which is associated with the variation accounted for by the true score of the underlying construct (Cronbach, 2004). The alpha coefficients may be used to describe the reliability of factors, which are extracted from dichotomous and or multi-point formatted questionnaires or scales.

3.5 Summary

The chapter provided a detailed overview of the research methodology that was employed during the study, while detailing a discussion of the population, the sample, which was identified, measuring instrument and the data analysis techniques. Such techniques included descriptive statistics to describe the characteristics of the sample and inferential statistics to test the research hypotheses.

CHAPTER FOUR

PRESENTATION OF RESULTS

4.1 Introduction

The previous section outlined the research methodology and research design that were utilised for the current study. The information that was provided and discussed in the previous chapters serve as a background against which the content of this chapter is presented and interpreted, and is based on the empirical analyses that was conducted to test the hypotheses.

The statistical programme that was used for the analyses and presentation of data in this research is the Statistical Package for the Social Sciences (SPSS) version 21. The descriptive statistics that were computed for the study are presented first in an outline of the characteristics of the sample with regard to the variables, which were included in the study.

The descriptive statistics that were calculated for the sample are provided in the sections that follow. That is, data pertaining to the variables that were included in the study, as collected by the two measuring instruments employed, are summarised by means of calculation of descriptive measures. In this manner, the properties of the observed data clearly emerge and an overall picture thereof is obtained.

This is followed by presentation of the inferential statistics based on examination of each hypothesis that was formulated for the research. The upper level of statistical significance for null hypothesis testing was set at 5%. All statistical test results were computed at the 2-tailed level of significance in accordance with the non-directional hypotheses that were presented (Sekaran & Bougie, 2011).

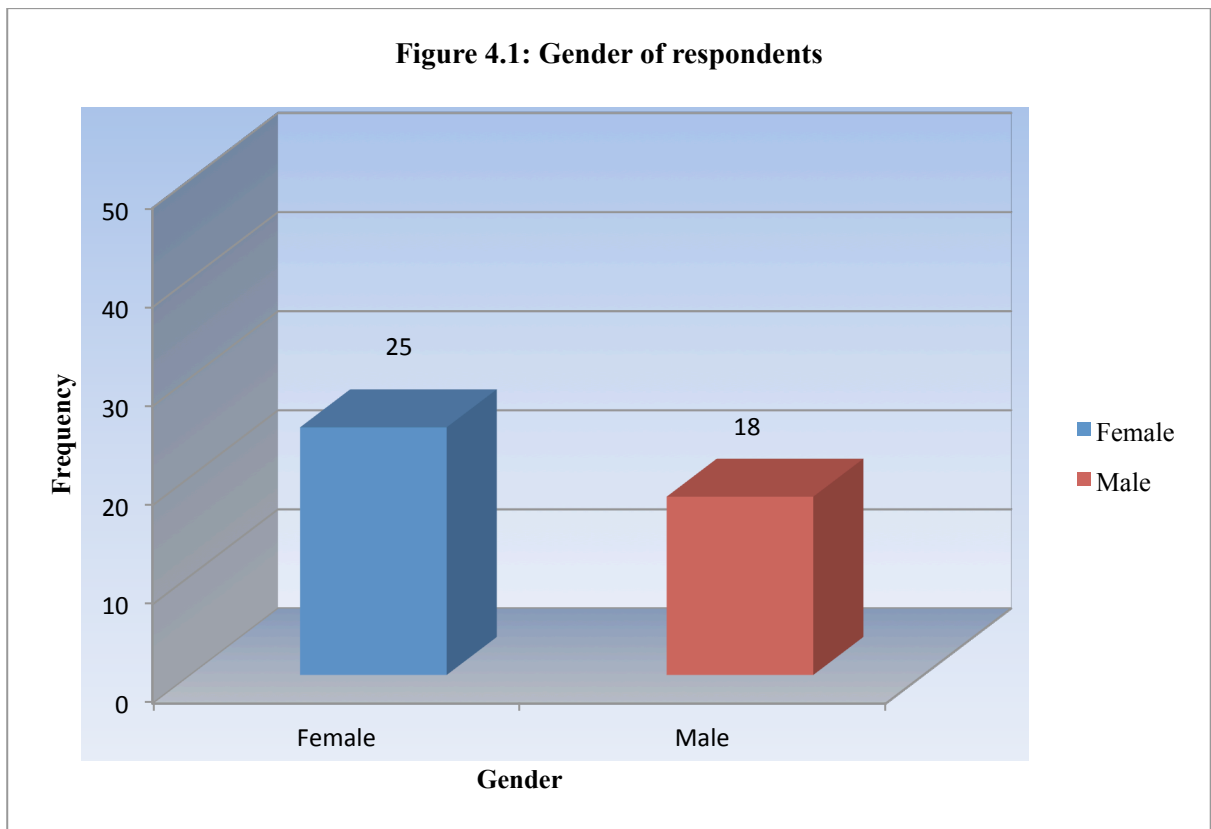
4.2 Descriptive statistics

This section outlines the descriptive statistics that were calculated and obtained from the variables included in the biographical questionnaire. The demographic variables that received attention included the gender and age of the respondents.

Descriptive statistics in the form of frequencies and percentages are subsequently graphically presented for each of the above-mentioned variables.

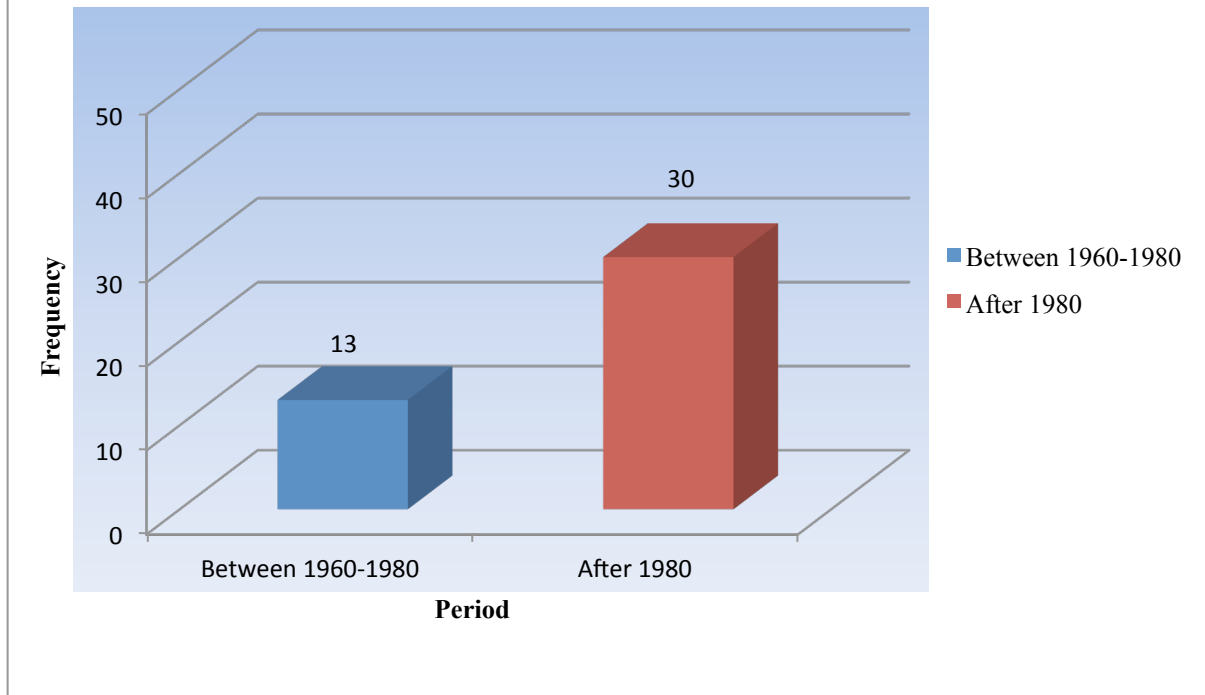
4.2.1 Biographical characteristics

Respondents' gender is depicted in Figure 4.1



It can be seen from Figure 4.1 above that a majority of the respondents, namely 58% (n=25) are female, and the remaining 42% comprised of male respondents (n=18).

Figure 4.2: Age of respondents



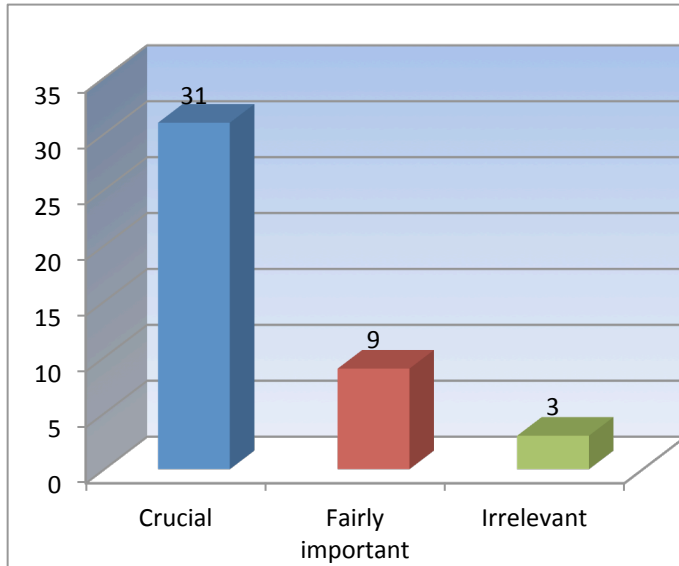
The largest proportion of respondents comprised of those who were born after 1980, that is 70% ($n=30$), followed by those who were born between 1960 and 1980 who constituted a further 30% of the sample ($n=13$).

4.2.2 Descriptive statistics

The descriptive statistics that were calculated for the sample are provided in the sections that follow. That is, the data pertaining to the variables that were included in the study, as collected by the two measuring instruments that were employed, are summarised by means of graphic representation and the calculation of descriptive measures. In this manner the properties of the observed data clearly emerge and an overall picture thereof is obtained.

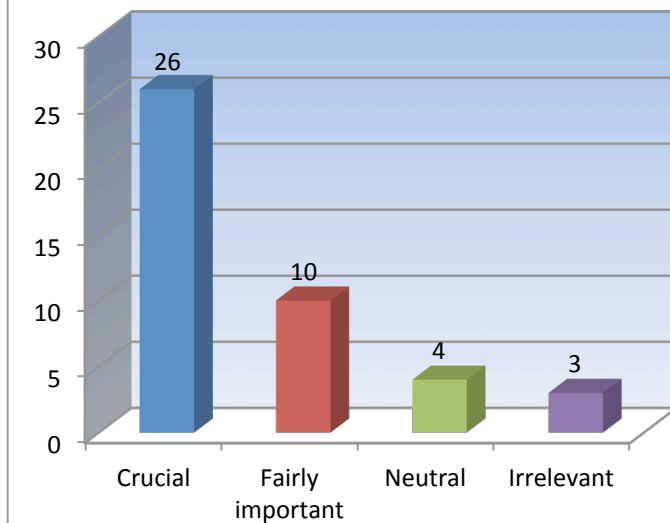
WORK / DEVELOPMENT ENVIRONMENT

Figure 4.3: Manager integrity and quality



The results in the study reveal that 72% (n=31) evaluated manager integrity as crucial, while a further 21% considered manager integrity to be fairly important.

Figure 4.4: Role clarity



Role clarity was considered to be crucial among 61% of the sample (n=26), while a further 23% evaluated role clarity as being fairly important (n=10).

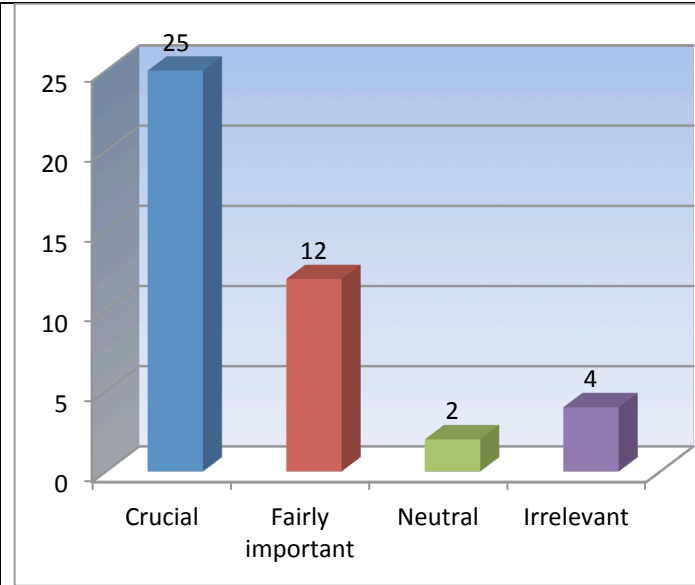


Figure 4.5: Challenging and meaningful work

■ Fifty eight percent of the respondents regard challenging and meaningful work as crucial (n=25), while an additional 28% considered it to be fairly important (n=12).

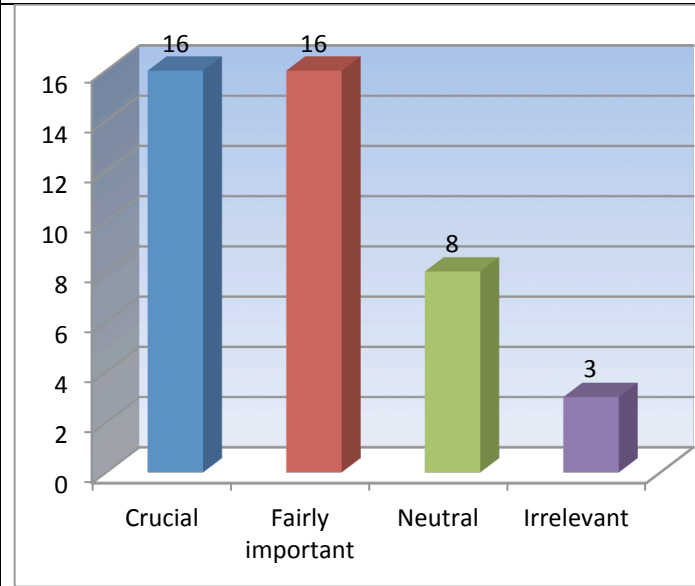


Figure 4.6: Autonomy/ Independence

■ Respondents considered autonomy/independence to be crucial (37%, n =16) to fairly important (37%, n = 16).

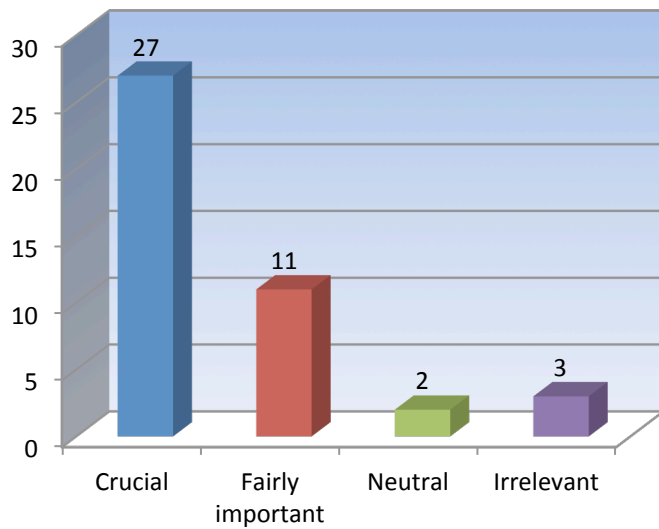


Figure 4.7: Empowerment and responsibility

This dimension was evaluated as crucial by 63% of the sample (n=27), while an additional 26% indicated that it was fairly important (n=11).

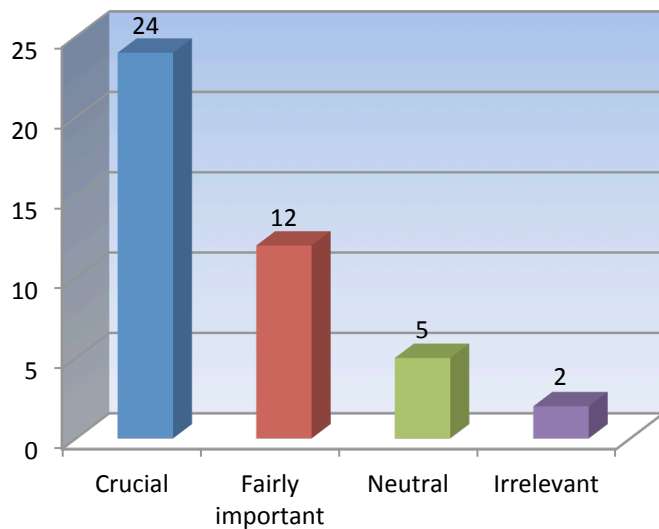


Figure 4.8: Productive and friendly work relationships

Approximately 56% of the respondents appraised productive and friendly work relationships as crucial (n=24) to fairly important (28%, n = 12).

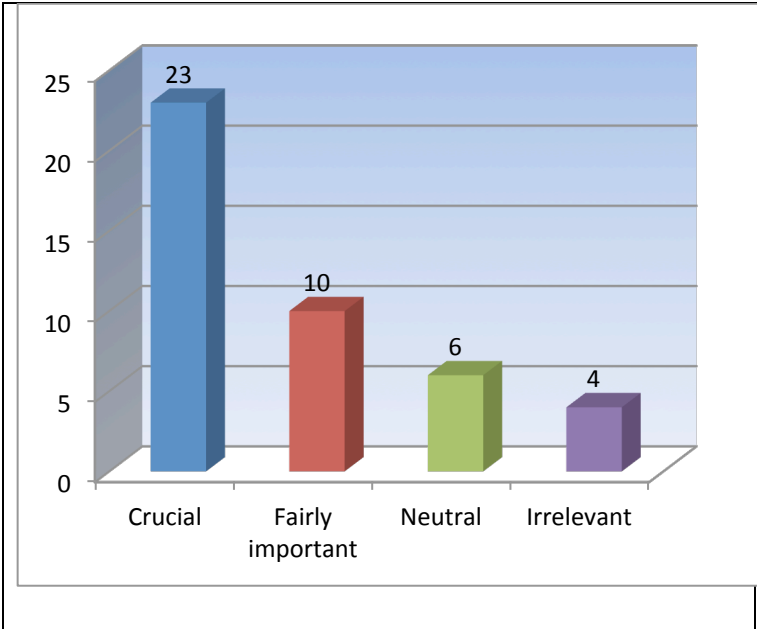


Figure 4.9: Excellent co-employee quality

The aspect of excellent co-employee quality was considered to be crucial to fairly important amongst 78% of the respondents (n=33).

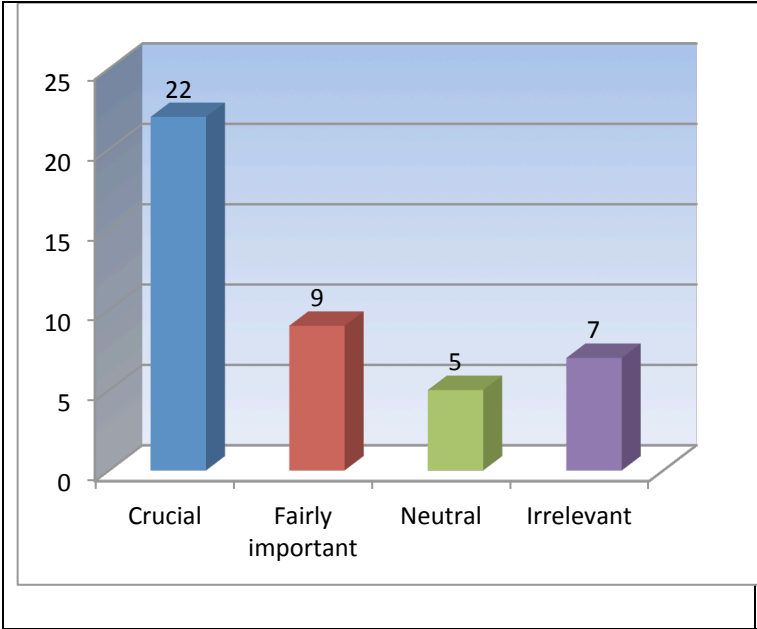


Figure 4.10: Internal mobility

Internal mobility was evaluated as fairly important to crucial by 77% of the respondents (n=31).

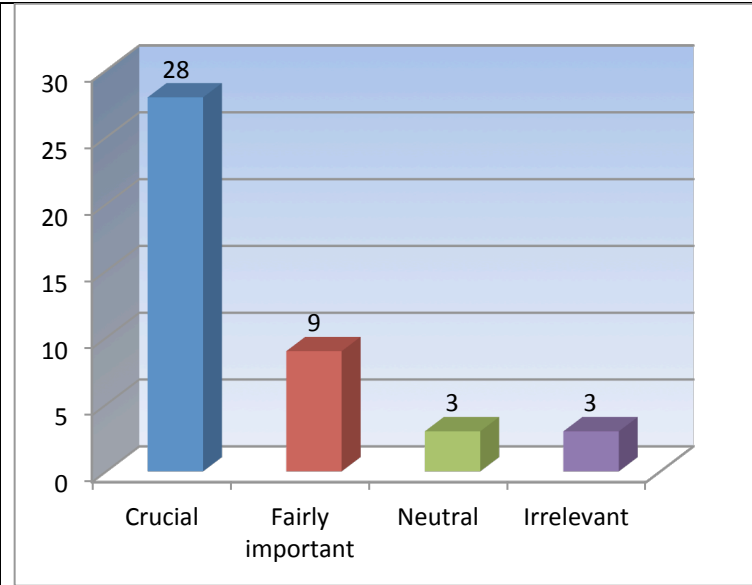


Figure 4.11: Exposure to new opportunities/challenges

Approximately 88% of the respondents felt that exposure to new opportunities and challenges was fairly important to crucial (n=37).

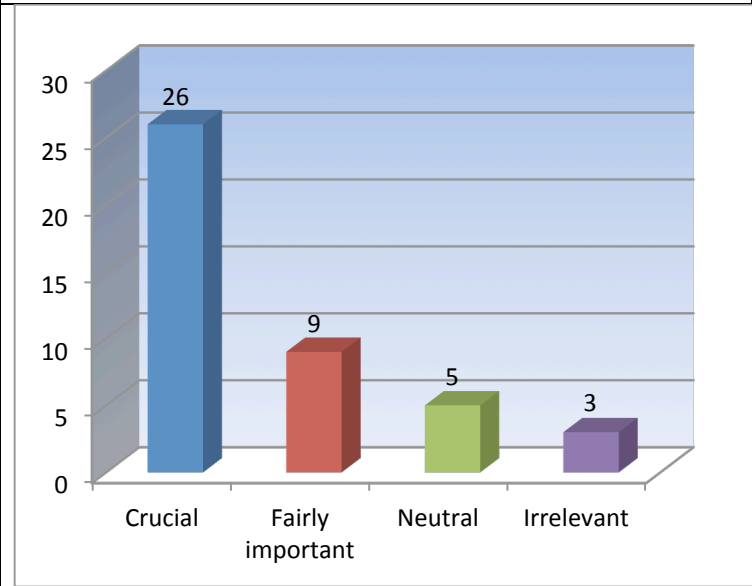


Figure 4.12: Recognition

Recognition was considered to be fairly important to crucial amongst 85% of the respondents (n=35).

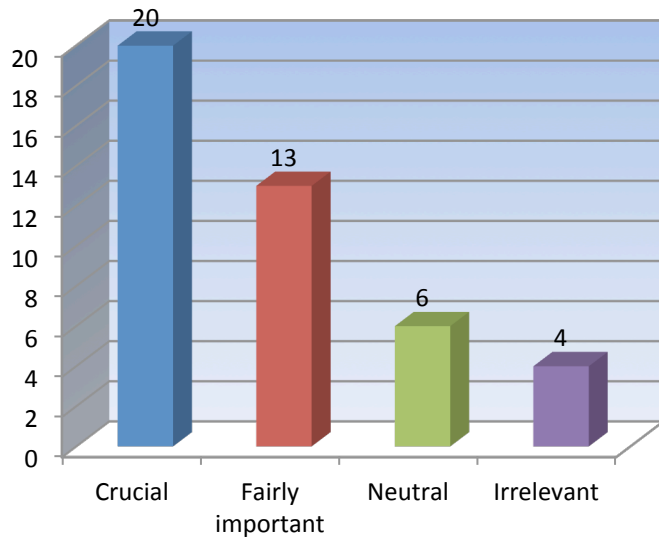


Figure 4.13: Personal fit with company culture

Personal fit with company culture was evaluated as being fairly important to crucial amongst 79% of the respondents (n=33).

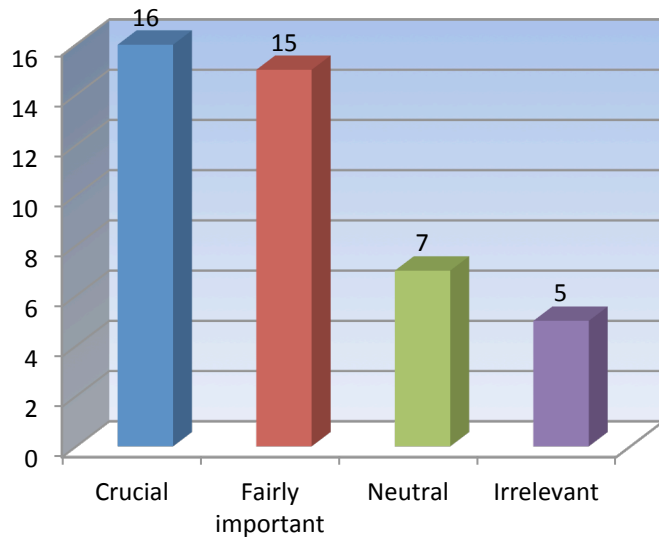


Figure 4.14: Cutting-edge work

The opportunity to engage in cutting-edge work was rated by 74% of the respondents as fairly important or crucial (n=31).

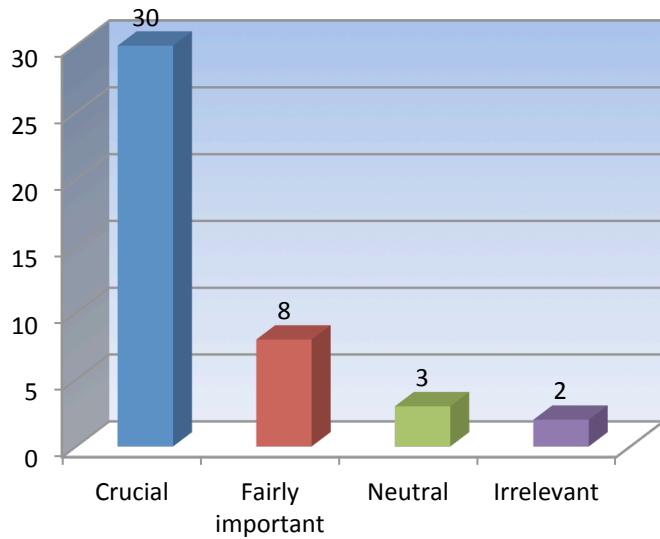


Figure 4.15: Advancement opportunities

Approximately 91% of the respondents felt that advancement opportunities were crucial to fairly important (n=38).

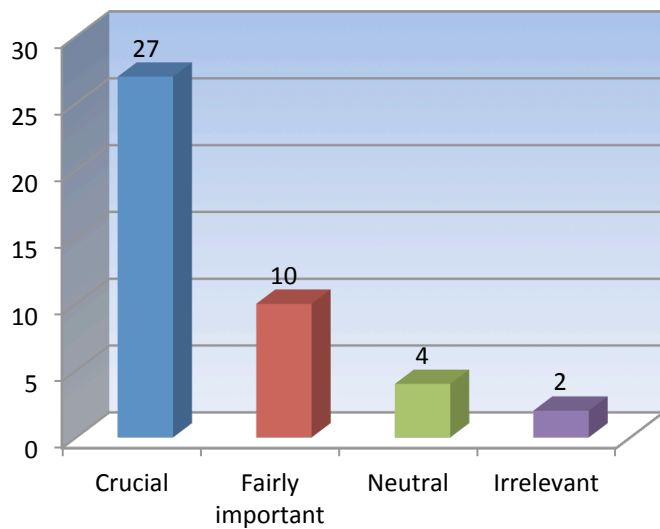


Figure 4.16: Development or learning opportunities

Development or learning opportunities were considered to be fairly important to crucial by 88% of the respondents (n=37).

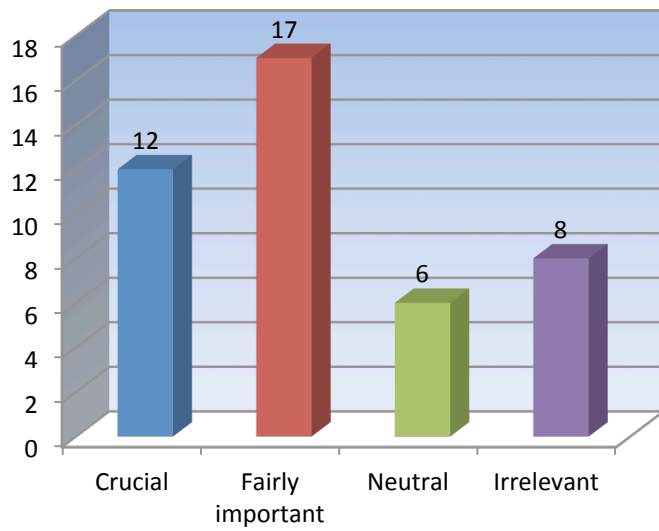


Figure 4.17: Personal buy in to business strategy

Personal buy-in to business strategy was considered to be fairly important to crucial (n=29) by 73% of the respondents.

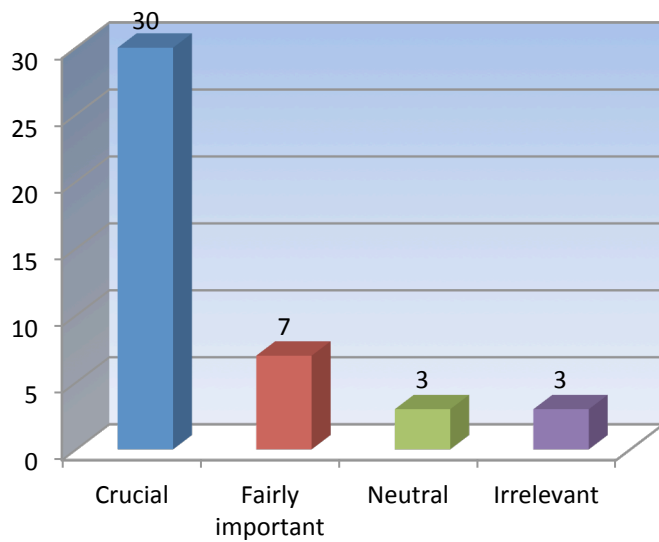


Figure 4.18: Team work

Team work was appraised by 90% of the respondents as fairly important to crucial (n=37).

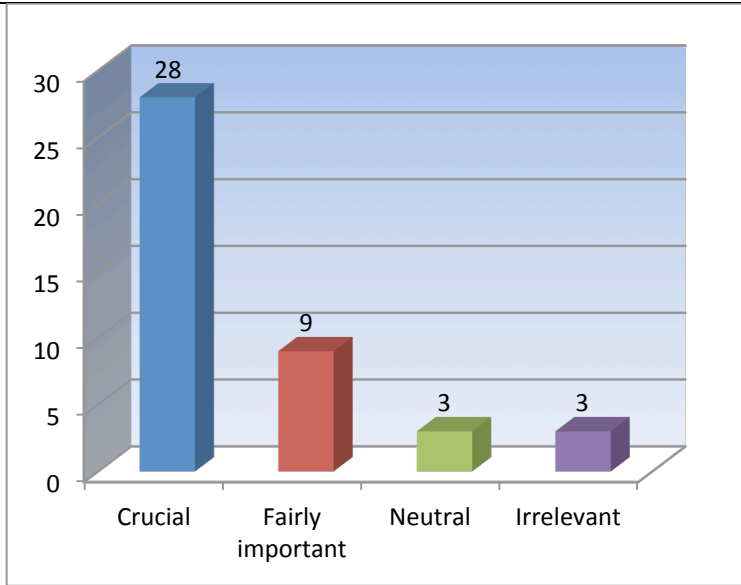


Figure 4.19: Pleasant daily work experiences

Pleasant daily work experiences were evaluated by 88% of the sample as fairly important to crucial (n=37).

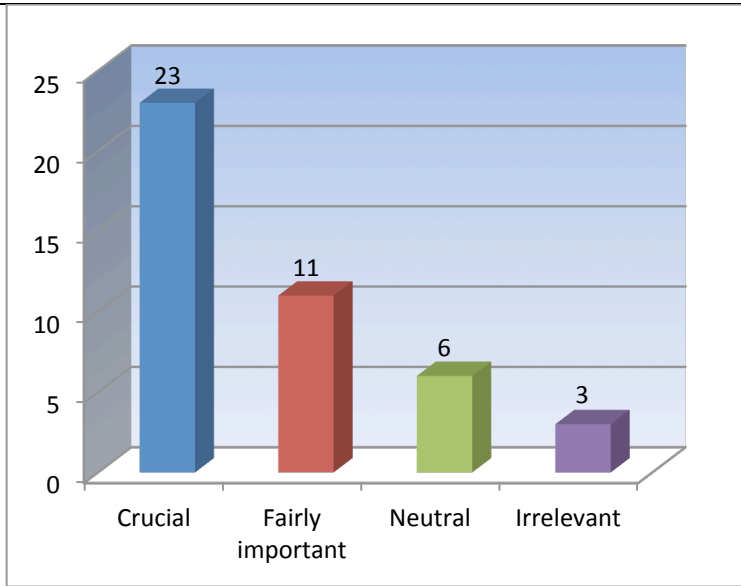


Figure 4.20: Mentoring/coaching programme

A mentoring or coaching programme was considered as fairly important to crucial (n=34) by 83% of the respondents.

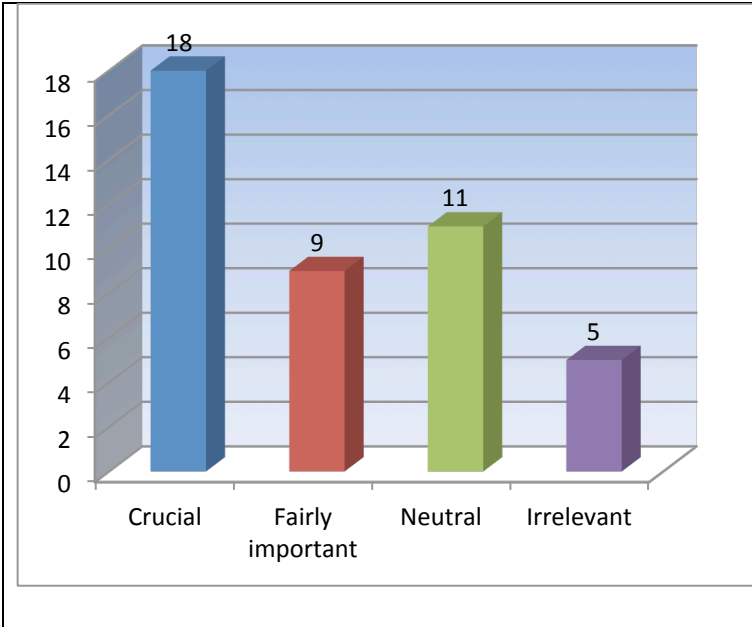


Figure 4.21: Availability of teambuilding exercises

Availability of teambuilding exercises was considered as fairly important to crucial (n=27) by 64% of the respondents.

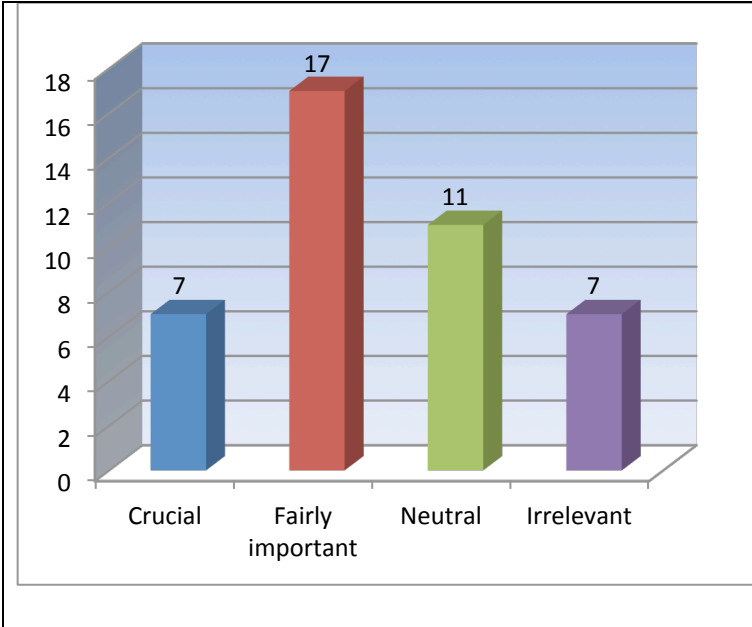


Figure 4.22: Status

Status emerged as one of the least important factors, with 57% (n=24) respondents that this is fairly important to crucial.

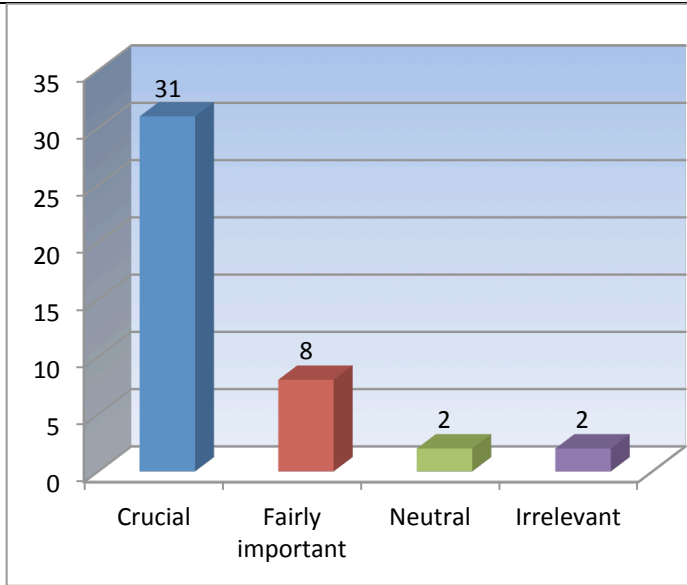


Figure 4.23: Performance evaluation and feedback

Performance evaluation and feedback emerged as one of the most important factors, which influences retention and was considered by 93% of the respondents as being fairly important to crucial (n=39).

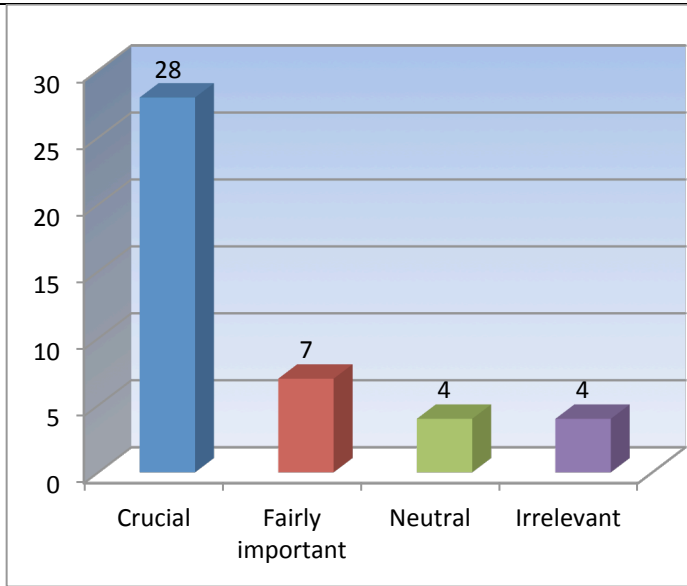
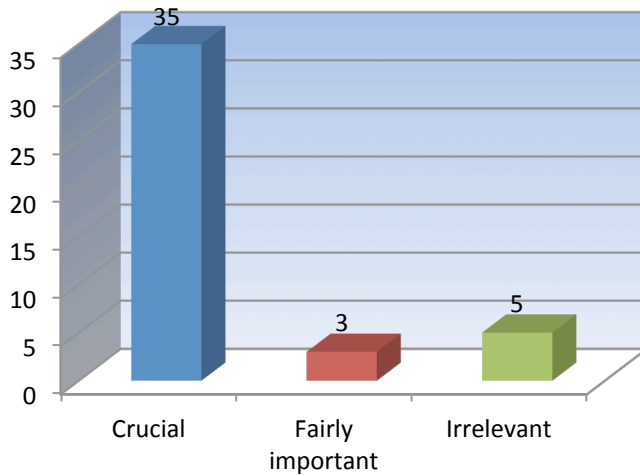


Figure 4.24: 360 degree feedback

360 Degree feedback was evaluated by 83% of the sample as being fairly important to crucial (n=35).

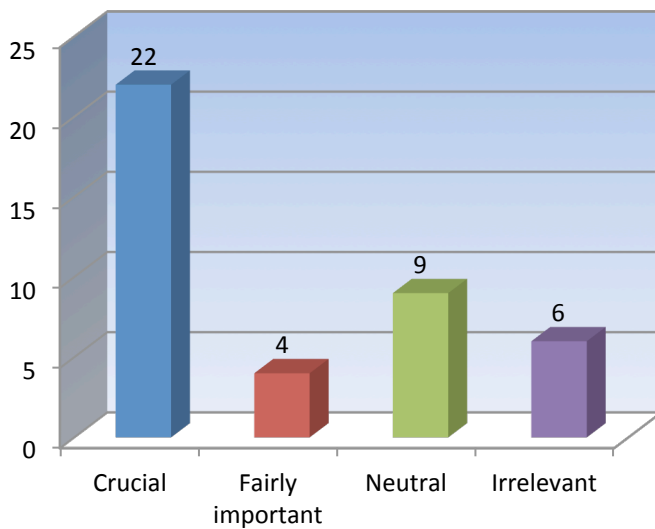
COMPENSATION AND BENEFITS

Figure 4.25: Guaranteed base pay



Guaranteed base pay was considered as being fairly important to crucial (n=38), by 93% of the respondents.

Figure 4.26: Variable pay



Variable pay was considered to be fairly important to crucial (n=26), by 63% of the respondents.

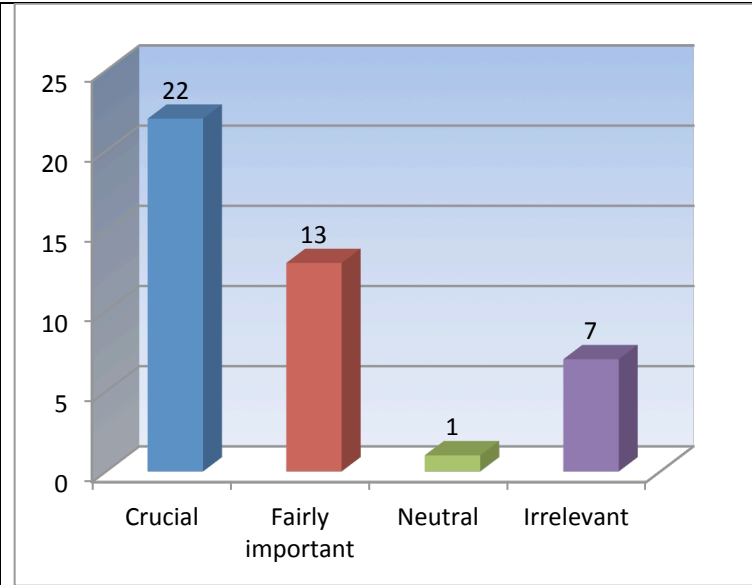


Figure 4.27: Share awards

Approximately 90% of the respondents believed that share awards were fairly important to crucial (n=35).

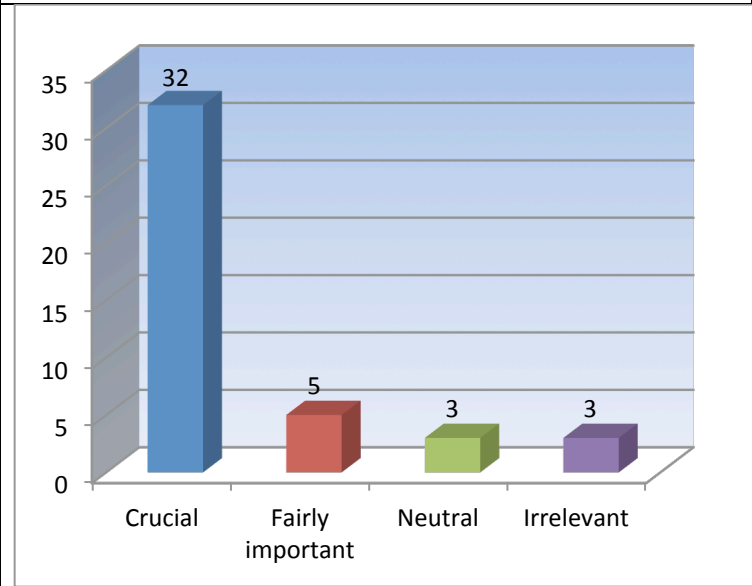


Figure 4.28: Health benefits

Health benefits emerged as one of the most crucial retention factors, and was appraised by 90% of the respondents as being fairly important to crucial (n=37).

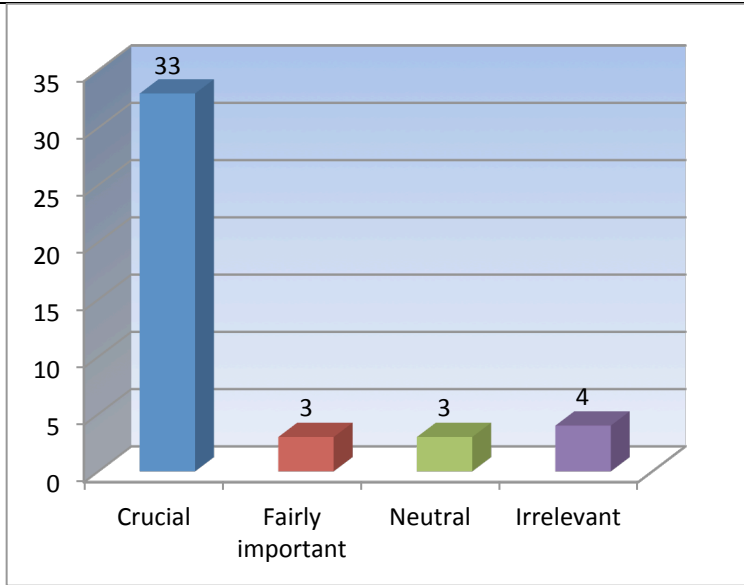


Figure 4.29: Retirement benefits

Retirement benefits were considered as being fairly important to crucial (n=36), by 88% of the respondents.

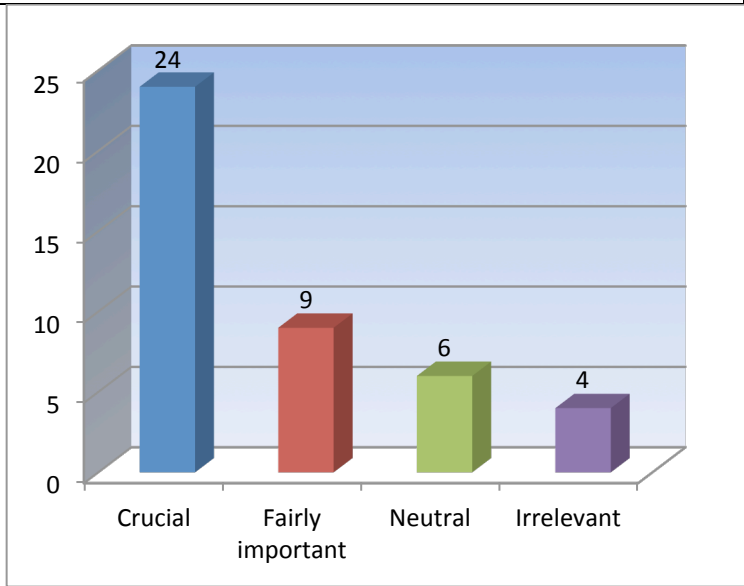


Figure 4.30: Short term incentives

Eighty percent of the sample considered short-term incentives to be fairly important to crucial (n=33).

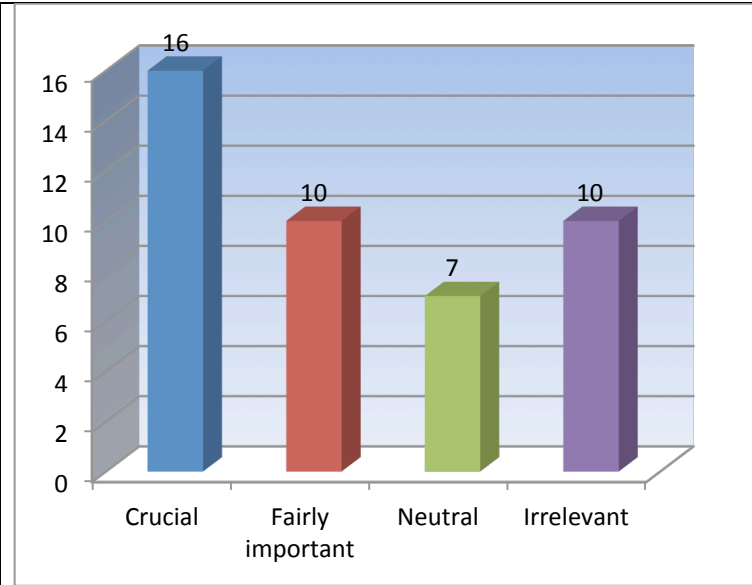


Figure 4.31: External equity

External equity was appraised as being fairly important to crucial by 65% of the respondents (n=26).

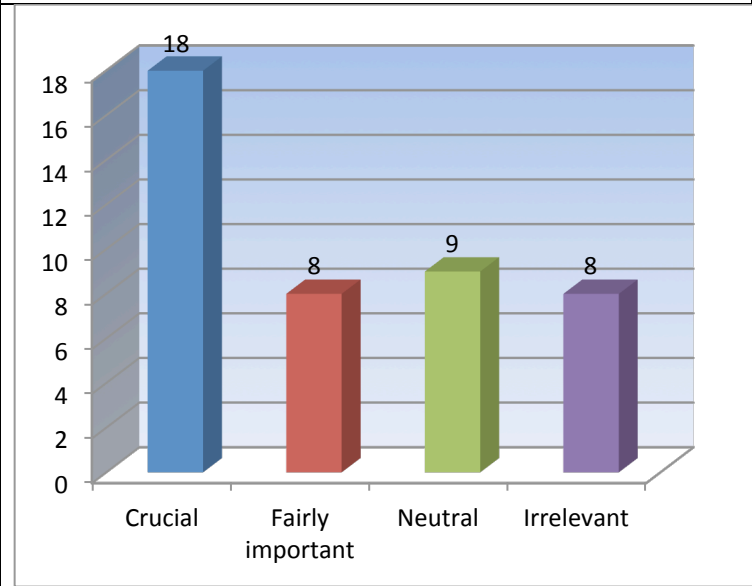


Figure 4.32: Internal equity

A total of 64% of the respondents' evaluations' evaluated internal equity as being fairly important to crucial (n=26).



COMPANY ENVIRONMENT

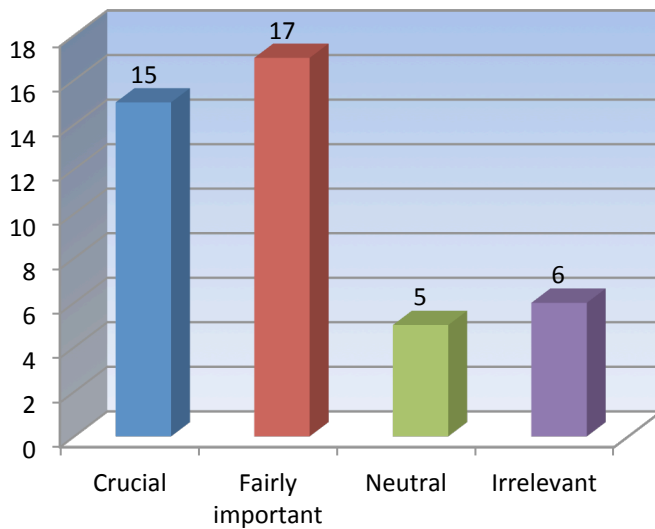


Figure 4.33: Competitive technology level

A total of 78% of the respondents evaluated a competitive technology level as being fairly important to crucial (n=32).

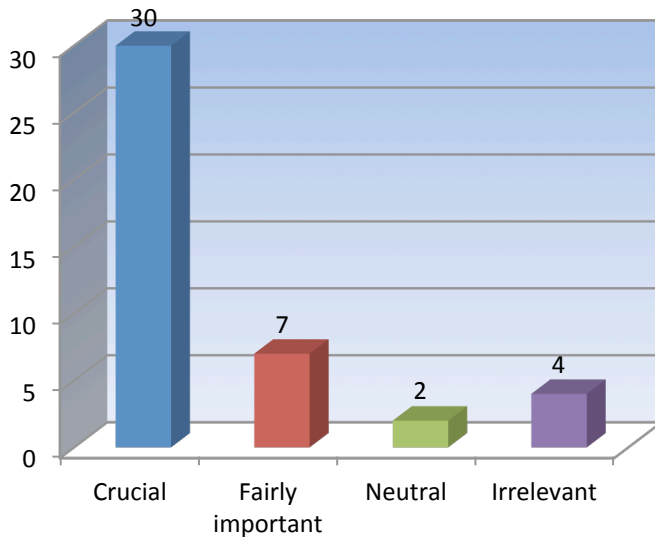


Figure 4.34: Company reputation

Company reputation was considered to be fairly important to crucial (n=37), by 90% of the respondents.

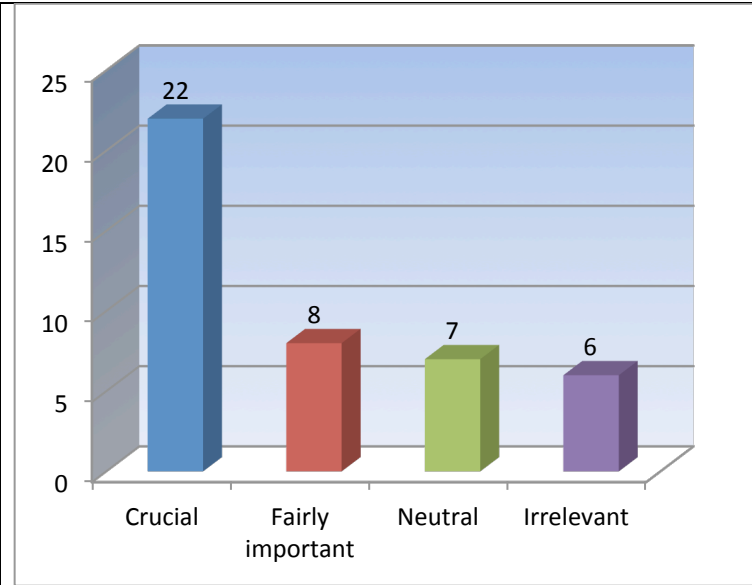


Figure 4.35: Senior team reputation

Senior team reputation was appraised by 75% of the respondents as being fairly important to crucial (n=30).

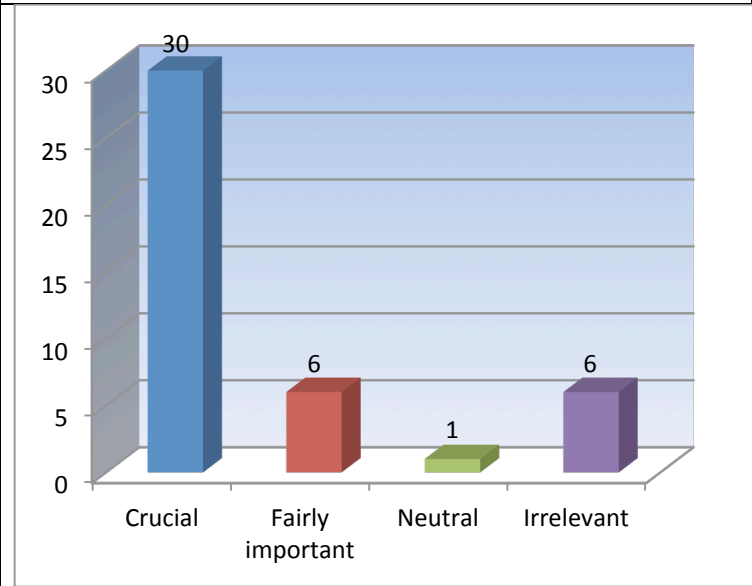


Figure 4.36: Fairness

Approximately 88% of the respondents considered fairness as being fairly important to crucial in terms of impacting on retention (n=36).

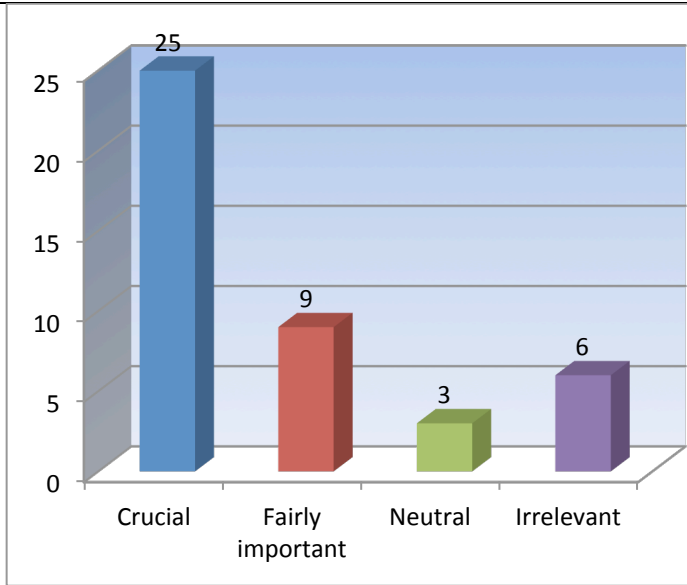


Figure 4.37: Employment equity

Employment equity was regarded by 83% of the respondents as being fairly important to crucial in influencing retention (n=34).

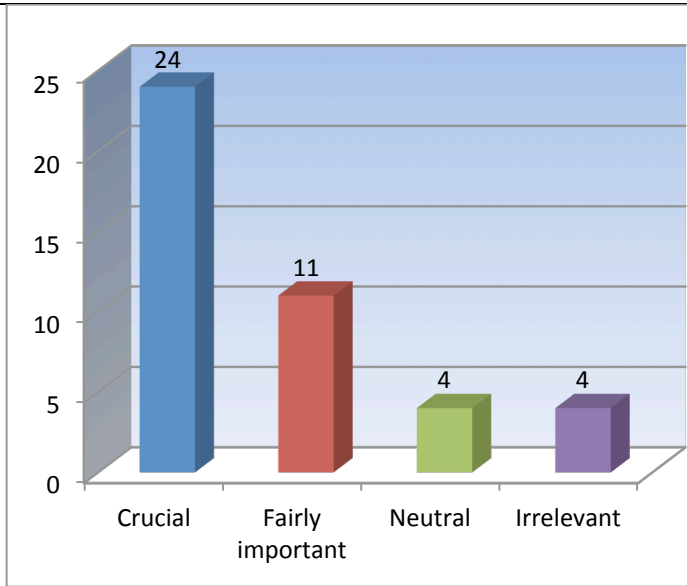


Figure 4.38: Organisational change readiness

Approximately 85% of the respondents agreed that organisational change readiness was fairly important to crucial as a retention factor.

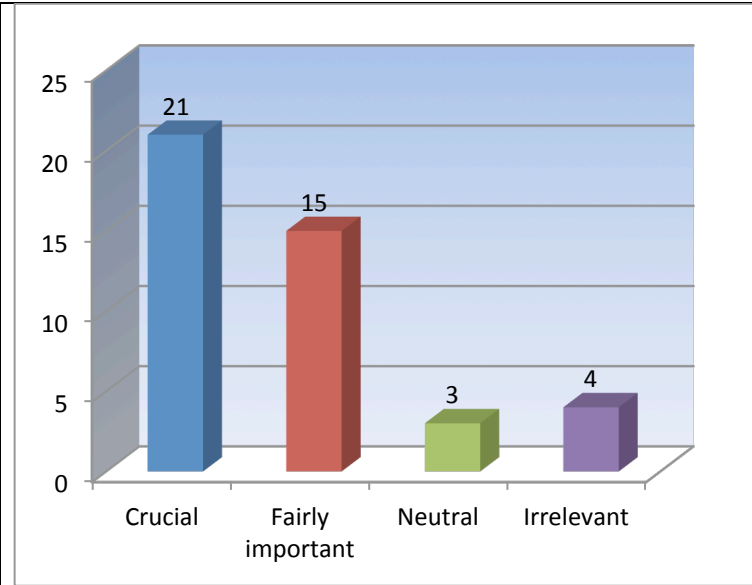


Figure 4.39: Organisational size and stability

Organisational size and stability was evaluated by 90% of the respondents as being fairly important to crucial as a retention driver (n=36).

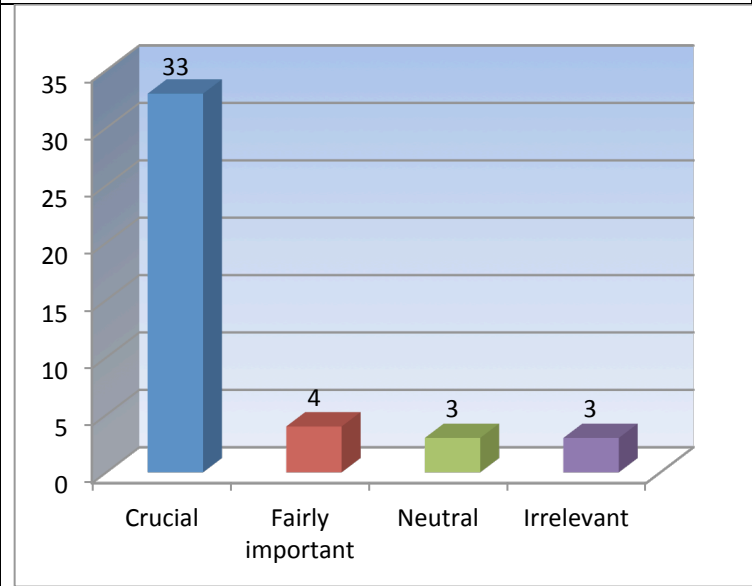


Figure 4.40: Job security

Job security emerged as one of the highest ranked factors in retention, and was appraised by 90% of the respondents as being fairly important to crucial (n=37).

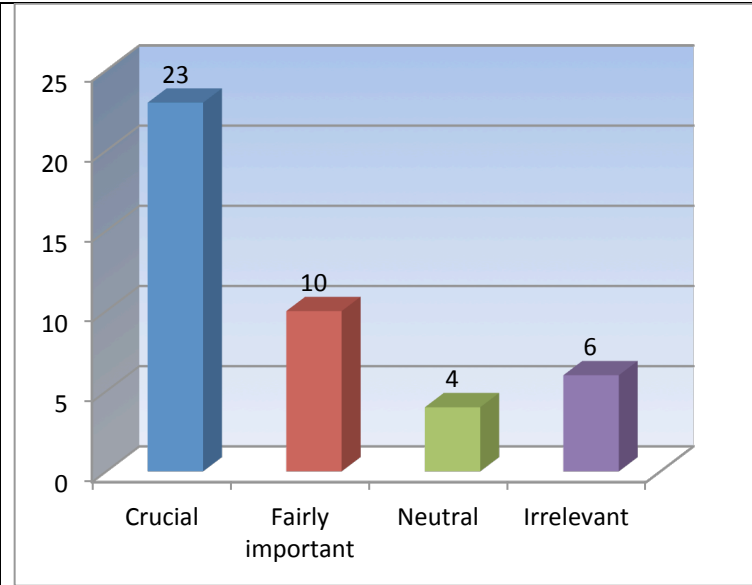


Figure 4.41: Cultural diversity

A total of 81% of respondents considered cultural diversity to be fairly important to crucial (n=33).

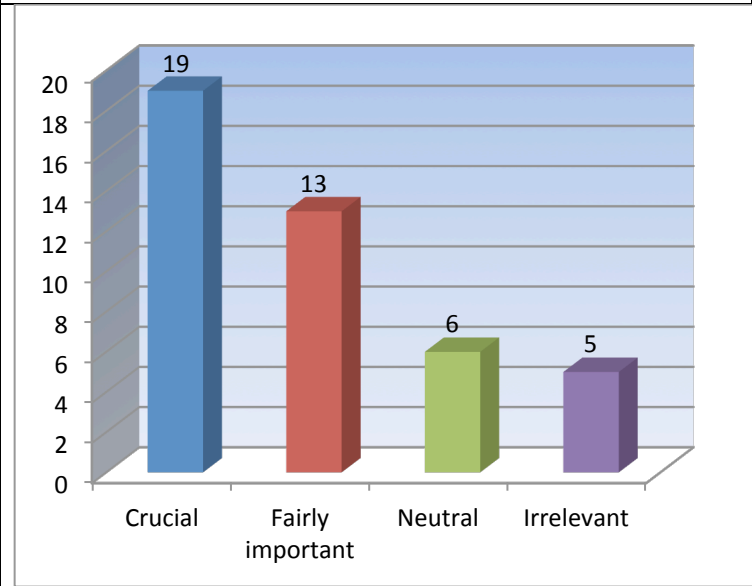


Figure 4.42: Networking opportunities

Networking opportunities were evaluated as being fairly important to crucial by 80% of the respondents (n=32).

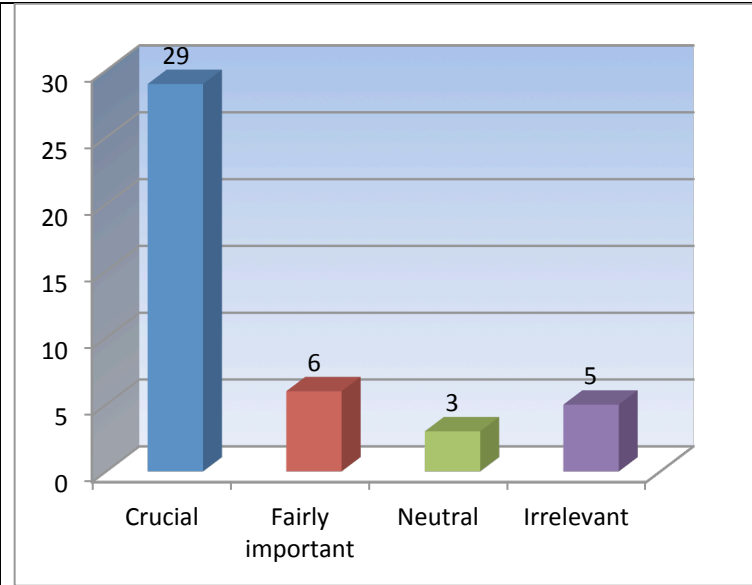


Figure 4.43: Open communication/transparency

Open communication/transparency emerged as fairly important to crucial for approximately 88% of the respondents (n=35).

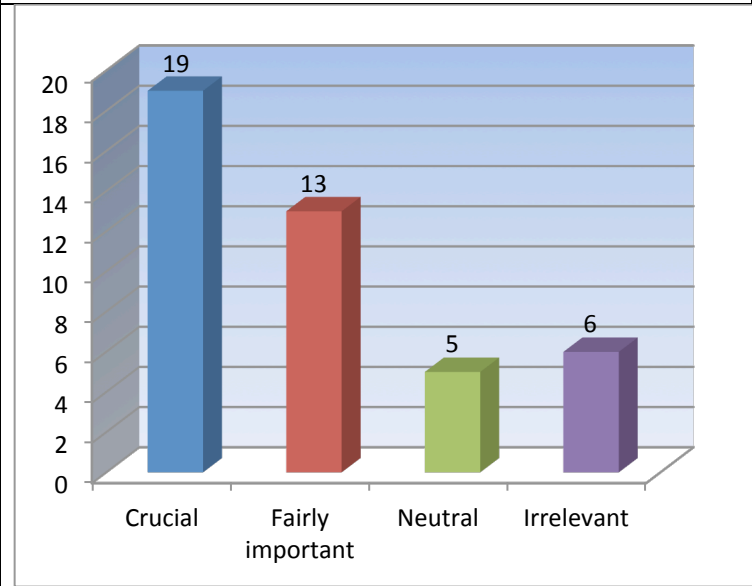
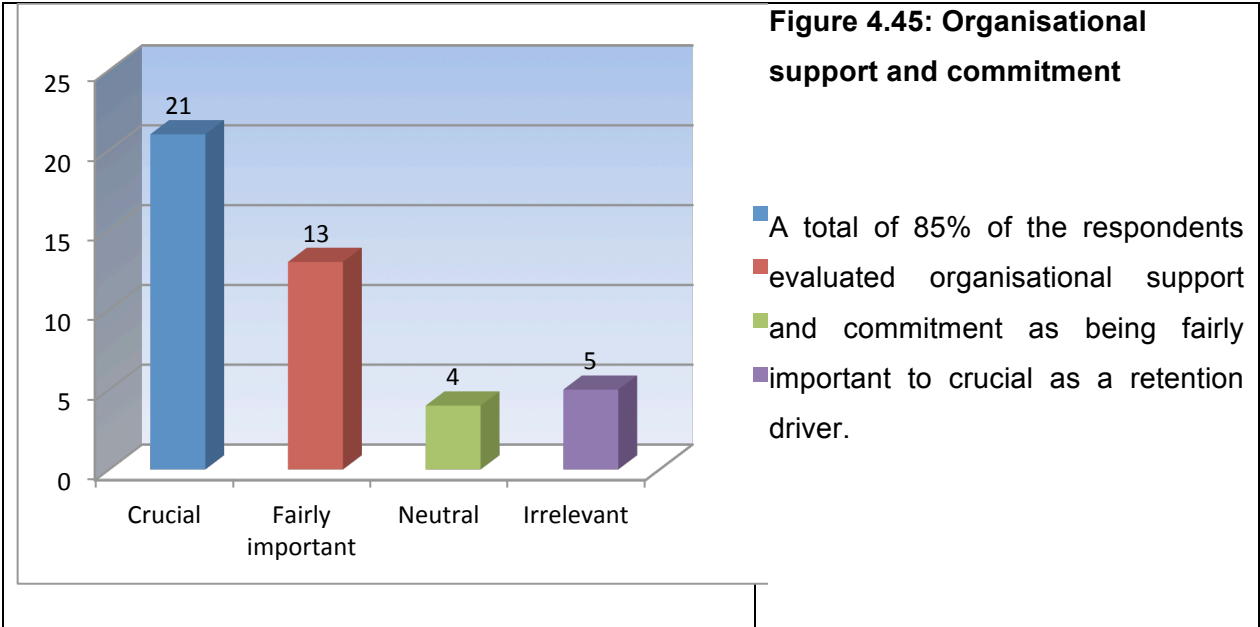


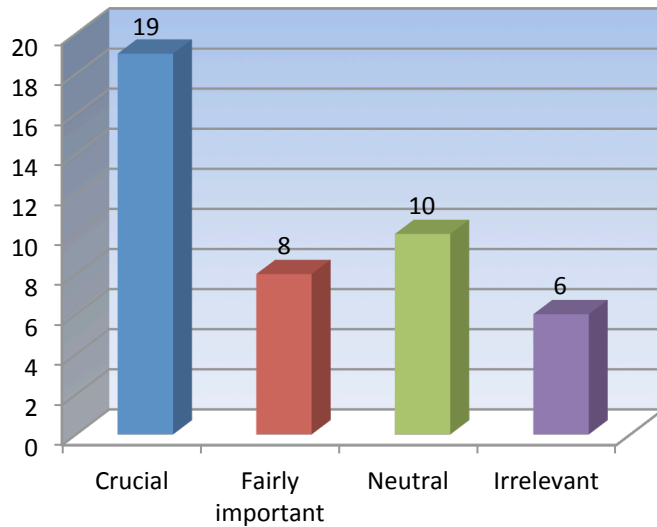
Figure 4.44: Formal information/knowledge sharing

Approximately 80% of the respondents regarded formal information/knowledge sharing as being as fairly important to crucial as a retention factor (n=32).



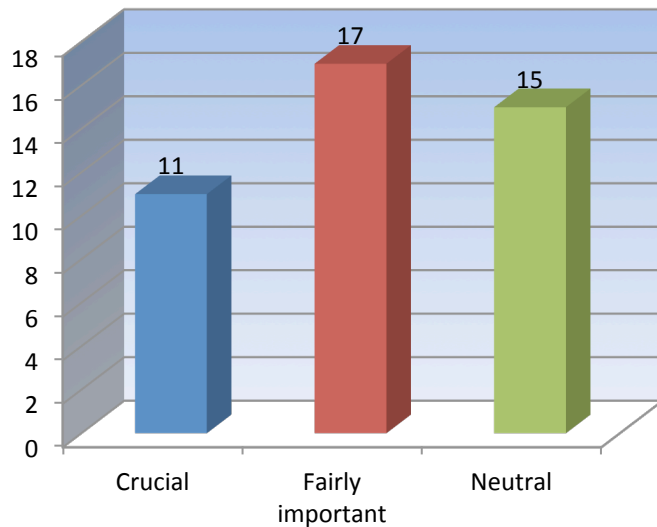
WORK-LIFE BALANCE

Figure 4.46: Child care facilities



Approximately 66% of the respondents considered child care facilities as being fairly important to crucial as a retention factor (n=27).

Figure 4.47: Extra vacation / longer annual leave



Having extra vacations or longer annual leave emerged as the least important factor, which impacts on retention, and was considered as being crucial (n=11), by 27% of the respondents.

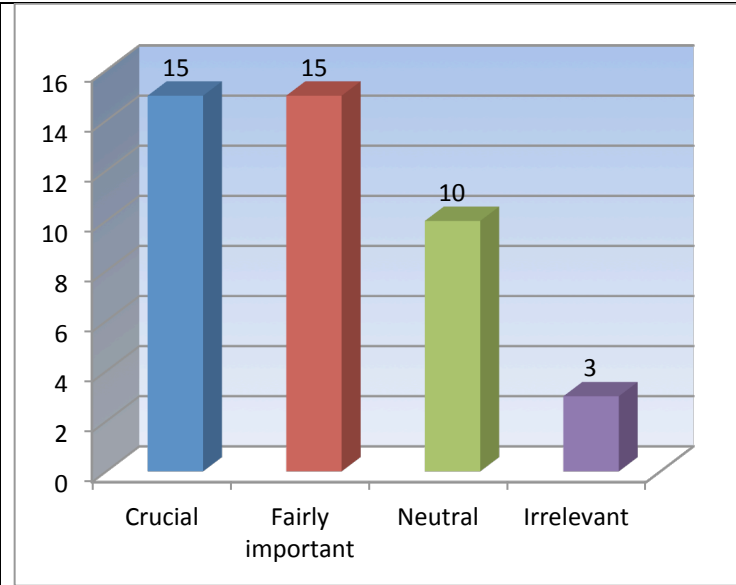


Figure 4.48: Flexible working hours

Flexible working hours was considered as crucial by 36% of the respondents as crucial, while a further 36% indicated that it was fairly important (n=15).

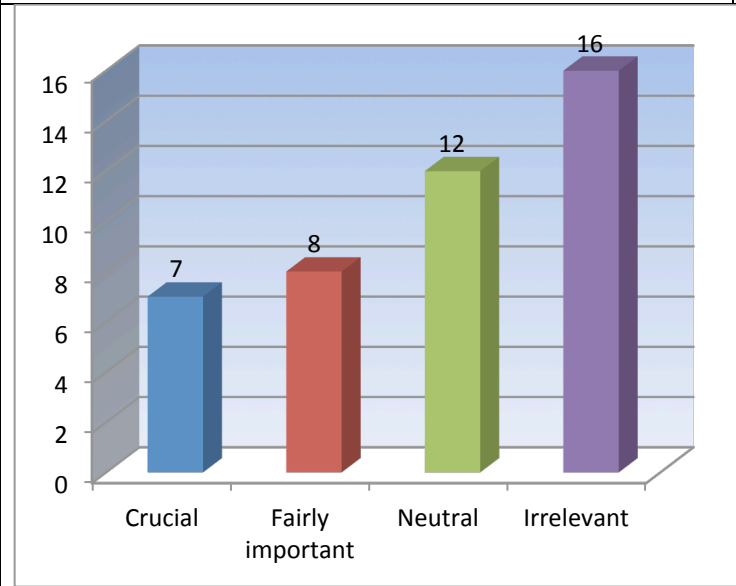


Figure 4.49: Option to work from home

Only 16% of the respondents regarded working from home as an option that was crucial (n=7), while an additional 19% considered it fairly important (n=8). A total of 28% of the respondents were neutral about this aspect (n=12), and 37% of the respondents believed that it was irrelevant (n=16).

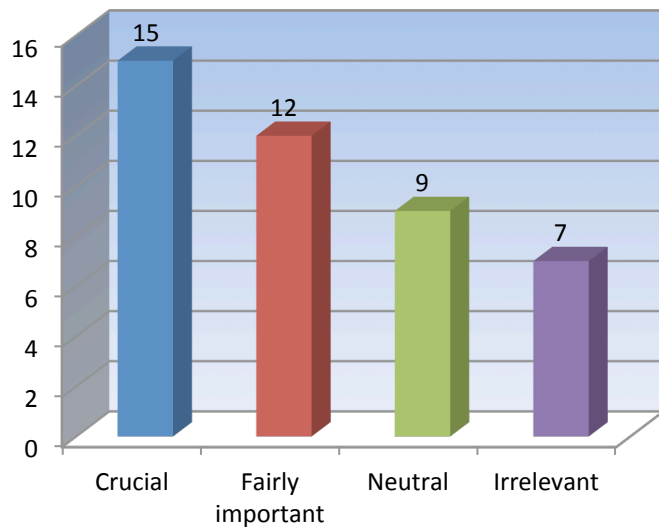


Figure 4.50: Geographic location of work

The geographic location of work was considered as being fairly important to crucial (n=27), by 67% of the respondents.

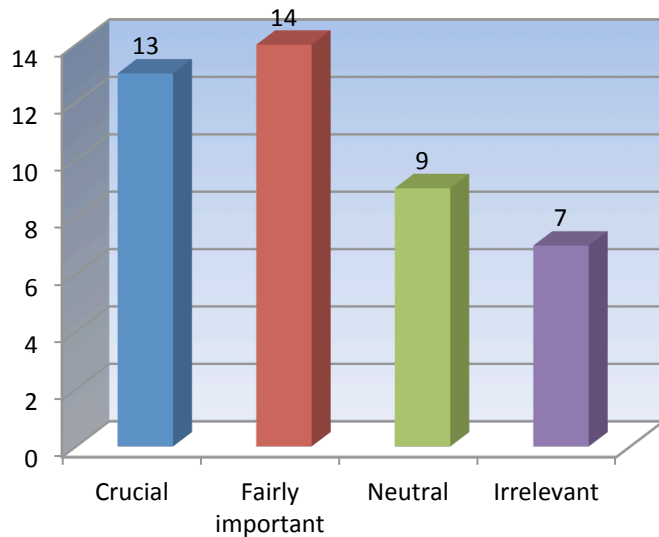


Figure 4.51: Business travel and global exposure

Business travel and global exposure was rated by 64% of the respondents as being fairly important to crucial (n=27).

4.2.2.1 Measures of central tendency and dispersion

Table 4.1 Means and standard deviation for the dimensions of the retention questionnaire

Variable	N	Mean	Std. dev.
Work development environment	43	1.47	.35
Compensation and benefits	43	1.85	.29
Company environment	43	1.73	.38
Work-Life balance	43	1.54	.54

The mean score (M=1.54) for **work-life balance** indicates that respondents show that it is one of the most crucial aspects for respondents in the organisation. The standard deviation (sd = .54) shows that there is little variation in the responses amongst research subjects.

The mean score (M=1.47) for **work development environment** indicates that respondents believe that it is also the most crucial for retention. The standard deviation (sd = .35) shows that there is little variation amongst respondents.

The mean score (M=1.73) for **company environment** attests to the importance that respondents attach to this variable. Moreover, the standard deviation (sd = .38) shows that there is little variation amongst respondents with respect to this attribute.

Finally, **compensation and benefits** was regarded as the least crucial (mean = 1.85, sd = .29).

4.2.2.2 Inferential statistics

Hypothesis 1: There will be a significant difference in retention amongst employees based on their gender.

Table 4.2: Mann-Whitney: Gender and retention

	Gender	
	T	P
Work development environment	2.367	.001**
Compensation and benefits	3.497	.002**
Company environment	2.874	.005**
Work-Life balance	4.458	.000**

** p < 0.01

Table 4.2 above indicates that there are statistically significant differences in the dimensions of retention based on respondents' gender. There was a significant gender difference in retention based on work development environment (p < 0.01), compensation and benefits (p < 0.01), company environment (p < 0.01), and work-life balance (p < 0.01).

Hypothesis 2: There will be a significant difference in retention amongst employees based on their age.

Table 4.3: Kruskal-Wallis: Age and retention

WORK/DEVELOPMENT ENVIRONMENT	F	P-VALUE
Manager integrity and quality	1.301	0.000
Role clarity	1.882	0.001
Challenging and meaningful work	1.554	0.000
Autonomy/Independence	2.322	0.064
Empowerment and responsibility	1.411	0.000
Productive and friendly work relationships	1.504	0.002
Excellent co-employee quality	1.914	0.008
Internal mobility	1.963	0.000
Exposure to new opportunities/challenges	1.665	0.001
Recognition	1.921	0.048

Personal fit with company culture	1.697	0.357
Cutting-edge work	1.854	0.003
Advancement opportunities	1.446	0.000
Development or learning opportunities	1.320	0.004
Personal buy in to business strategy	1.847	0.562
Team work	1.884	0.012
Pleasant daily experiences	1.411	0.000
Mentoring/coaching programme	1.976	0.196
Availability of team building exercises	1.789	0.007
Status	2.425	0.347
Performance evaluation and feedback	1.297	0.000
360 degree feedback	1.684	0.002
COMPENSATION AND BENEFITS		
Guaranteed base pay	1.224	0.006
Variable pay	1.645	0.001
Share awards	2.324	0.008
Health benefits	1.847	0.000
Retirement benefits	1.233	0.003
Short term incentives	1.236	0.000
External equity	1.334	0.002
Internal equity	1.254	0.000
COMPANY ENVIRONMENT		
Competitive technology level	1.231	0.000
Company reputation	1.244	0.000

Senior team reputation	1.544	0.791
Fairness	1.312	0.005
Employment equity	1.419	0.000
Organisational change readiness	1.738	0.000
Organisational size and stability	1.589	0.006
Job security	1.361	0.002
Cultural diversity	1.114	0.000
Networking opportunities	1.193	0.003
Open communication/transparency	1.352	0.000
Formal information/knowledge sharing	1.697	0.357
Organisational support and commitment	1.976	0.196
WORK-LIFE BALANCE		
Child care facilities	1.452	0.001
Extra vacation / longer annual leave	1.537	0.000
Flexible working hours	1.670	0.000
Option to work from home	1.711	0.002
Geographic location of work	1.743	0.000
Business travel and global exposure	1.763	0.000

* $p < 0.05$

** $p < 0.01$

The results that are indicated in Table 4.3 show that there is a statistically significant difference as perceived by the various age groups.

The results reveal that there are statistically significant differences based on age with relationship to manager integrity and quality ($F = 1.301, p < 0.01$); role clarity ($F =$

1.882, $p < 0.01$); challenging and meaningful work ($F = 1.544$, $p < 0.01$); empowerment and responsibility ($F = 1.411$, $p < 0.01$); productive and friendly work relationships ($F = 1.504$, $p < 0.01$); excellent co-employee quality ($F = 1.914$, $p < 0.01$); internal mobility ($F = 1.963$, $p < 0.01$); exposure to new opportunities/challenges ($F = 1.665$, $p < 0.05$); recognition ($F = 1.921$, $p < 0.01$); cutting-edge work ($F = 1.854$, $p < 0.01$); advancement opportunities ($F = 1.446$, $p < 0.01$); development or learning opportunities ($F = 1.320$, $p < 0.01$); teamwork ($F = 1.884$, $p < 0.01$); pleasant daily experiences ($F = 1.976$, $p < 0.01$); performance evaluation and feedback ($F = 1.297$, $p < 0.01$) and 360 degree feedback ($F = 1.684$, $p < 0.01$).

The results reveal that there are statistically significant differences based on age with respect to guaranteed base pay ($F = 1.224$, $p < 0.01$), variable pay ($F = 1.645$, $p < 0.01$); share awards ($F = 2.324$, $p < 0.05$); health benefits ($F = 1.847$, $p < 0.01$); retirement benefits ($F = 1.233$, $p < 0.01$); short term incentives ($F = 1.236$, $p < 0.01$); external equity ($F = 1.334$, $p < 0.01$); internal equity ($F = 1.254$, $p < 0.01$); competitive technology level ($F = 1.231$, $p < 0.01$); company reputation ($F = 1.244$, $p < 0.01$), fairness ($F = 1.312$, $p < 0.01$); employment equity ($F = 1.419$, $p < 0.01$); organisational change readiness ($F = 1.738$, $p < 0.01$); organisational size and stability ($F = 1.589$, $p < 0.01$); job security ($F = 1.361$, $p < 0.01$); cultural diversity ($F = 1.114$, $p < 0.01$); networking opportunities ($F = 1.193$, $p < 0.01$); open communication/transparency ($F = 1.352$, $p < 0.01$); child care facilities ($F = 1.452$, $p < 0.01$); geographic location from work ($F = 1.743$, $p < 0.01$); and business travel and global exposure ($F = 1.763$, $p < 0.01$).

However, this did not hold true for the impact of age on autonomy/independence ($F = 2.322$, $p > 0.05$); personal fit with company culture ($F = 1.697$, $p > 0.05$); personal buy in to business strategy ($F = 1.884$, $p > 0.05$); mentoring/coaching programme ($F = 1.976$, $p > 0.05$); status ($F = 2.425$, $p > 0.05$), senior team reputation ($F = 1.544$, $p > 0.05$); ($F = 2.322$, $p > 0.05$); formal information / knowledge sharing ($F = 1.697$, $p > 0.05$), organisational support and commitment ($F = 1.976$, $p > 0.05$); extra vacation/longer annual leave ($F = 1.537$, $p > 0.05$); flexible working hours ($F = 1.670$, $p > 0.05$); and option to work from home ($F = 1.711$, $p > 0.05$).

4.3 Reliability analysis

Cronbach's Alpha is viewed as an index of reliability which is associated with the variation that is accounted for by the true score of the underlying construct (Cronbach, 2004). It is argued that Alpha coefficients range in value from 0 to 1 and may be used to describe the reliability of factors extracted from dichotomous and or multi-point formatted questionnaires or scales. However, there is no lower limit to the coefficient, as the closer Cronbach's coefficient alpha is to 1, the greater the internal consistency of the items of the scale (Cronbach, 2004).

Table 4.4 Reliability of the retention questionnaire

Dimension	Number of items	N	Cronbach
Work development environment	22	43	0.937
Compensation and benefits	8	43	0.864
Company environment	13	43	0.935
Work-life balance	6	43	0.631
Total Retention	49	43	0.959

Cronbach's alpha was used to assess the reliability of the scale. Table 4.4 above shows that acceptable Cronbach alpha coefficients were obtained for all the subscales, which varied from 0.631 to 0.959 for the total reliability. Scores on all the subscales seem to be distributed normally, because the skewness and kurtosis are within the guidelines of lower -2 or higher than $+2$, as required by Tabachnick and Fidell (2001). As all coefficients were above 0.7, they can be regarded as acceptable (Nunnally & Bernstein, 1994).

The scores that were obtained for the retention questionnaire, which was administered can be regarded as satisfactory in terms of the reliability of the instrument. George and Mallery (2003) argue that coefficients above 0.8 can be considered as good indicators of the reliability of an instrument. Hence, this was exceeded with the current study, which indicated a degree of reliability.

4.4 Summary

This chapter objectively presented the results of the study by using descriptive statistics to describe the results and inferential statistics to make inferences about characteristics of the population based on the sample that was solicited to participate in the study. This enabled the researcher to identify significant relationships and differences amongst the variables in the study.

CHAPTER FIVE

CONCLUSION

5.1 Introduction

Managing employee retention in the provincial government department is challenging. While acknowledging that this fact is important, it still seems critical that attempts should be made to identify factors that influence the retention of provincial government department agents, and to minimize the cost of employee turnover when considering the negative outcomes.

The findings of this study have important implications and considerations for the organisation's current employment and retention strategies. Practices that match the needs of the individual with those of the organisation are likely to result in higher levels of satisfaction, commitment and engagement. In addition, the findings reiterate the argument of Joao and Coetzee (2011) that both intrinsic job motivators and extrinsic job motivators should be congruent with employees' own needs, making them feel affectively and normatively committed to their employer to reduce turnover intentions.

5.2 Limitations of study

Although this study has made a contribution to the body of knowledge concerning employee retention, it is not without limitations. The first limitation concerns the sampling method that was used. A non-probability sampling method in the form of convenience sampling can cause certain groups of the population group to be under-represented. Selection bias was consequently been introduced, which reduces the extent to which the results of the study may be generalised to the entire population to which the research hypotheses apply.

Self-report measures could potentially result in impression management, social desirability and random responding (du Plooy & Roodt, 2013). Another limitation relates to the sample size of the population group under study. While it is considered large enough to be a representative sample, a larger sample would have increased the

generalizability of the research findings. Consequently, the generalizability to the entire population group is limited.

In addition to both the above shortcomings, which threaten the external validity of the study, the ecological validity of the study is relatively low since the study was conducted only in one department and was based on specific employee levels. Consequently, the research findings cannot be generalized to other levels, to similar organisations, or to organisations outside of the Western Cape.

5.3 Recommendations for future research

On the basis of the present study, a number of suggestions may also be made with regards to future research that may prove fruitful. In order to counter the above-mentioned problems, it is recommended that future studies should increase internal validity by utilising research designs that allow for the control of possible confounding variables, which could play an important role in employee retention.

Du Plooy and Roodt (2013) suggest that the contributing effects of biographical characteristics and demographic factors should be further investigated owing to the relative paucity that is available on the effect of these variables to determine retention.

It is further recommended that external validity should be enhanced by the selection of a larger sample as well as through the utilisation of a probability sampling design. By drawing a stratified random sample of participants from the population, selection bias can be reduced. Subsequently, the sample will be more representative of the population under investigation, allowing for greater generalizability of the research findings. It is further suggested that future studies should raise ecological validity by focusing on the selection of samples that are representative across regional offices of the organisation in South Africa. Following such an approach will increase the scope of the applicability of the research findings by allowing for greater generalizability.

Utilising a triangulation approach could also prove beneficial, since the researcher could gain a greater understanding of the construct under investigation by using qualitative

information which is gathered from interviews and/or focus groups in addition to the survey method that is usually employed.

5.4 Conclusion

Chapter 5 concludes the research study by discussing the salient results that were obtained in the study in relation to other relevant research in support of the current study. Conclusions were drawn based on the results that were obtained and limitations were identified. Furthermore, the next chapter will outline recommendations that may be useful for future research.

CHAPTER SIX

RECOMMENDATIONS

6.1 Introduction

The purpose of this study was to determine the factors that have an influence on the retention of talented employees at a provincial government department. Being aware of identified reasons for the provincial government department turnover will assist management with the development of customised cost-effective retention strategies and in turn keep employee turnover to target, while minimizing subsequent negative outcomes.

This chapter concludes the research objective by discussing the prominent findings while making reference to relevant research to substantiate the findings. Conclusions are drawn based on the obtained results.

6.2 Biographical Information

The sample consisted of 43 key talent employees working in a provincial government department in the Western Cape. The majority of the respondents, that is 58% (n=25) were female and the remaining 42% was comprised of male respondents (n=18).

While the target group includes three generational groups, only two are presented/responded. The largest proportion of respondents comprised of respondents in the group born after 1980, also referred to as Generation Y, that is 70% (n=30). Respondednts in the group born between 1960 and 1980, also known as Generation X constituted the rest 30% of the sample (n=13).

6.3 Critical Retention Variables

Research by Bothma & Roodt, 2012; du Plooy & Roodt (2013) indicate that employees leave organisations for a variety of reasons.

The results indicate that employees who were sampled within the provincial government department rated both intrinsic and extrinsic variables as being fairly important to crucial. However, the variables that were rated as the top five most critical in the study include 'Guaranteed base salary' was rated the highest, with both 'Retirement funds' and 'Job security' rated second highest, the third highest was 'Health Benefits;' and fourth highest were both 'Manager integrity and quality' and 'Performance evaluation and feedback'.

It is interesting to note that these variables fall within the Compensation and benefits, category, the Work/Development environment, as well as the Company environment category, hence they all fall within the extrinsic category. The results relate closely with various studies that identify these variables as critical when making a decision to leave an organisation.

6.3.1 Work/development environment

Employees prefer to work with leaders who know and understand them, treat them fairly and are people that they can trust. Manager-leaders must communicate with employees about their job-related likes and dislikes and provide employment experiences where organisational values are well-matched with individual ones (Taylor, 2002).

According to Kochanski and Ledford (2001), employees value feedback from their co-employees and supervisors. Providing sufficient performance feedback to employees helps to bolster positive attitudes towards the organisation and helps to prevent early intentions to leave the organisation. Wellins, Bernthal and Phelps (2007) maintain that employees who receive regular recognition and praise are more likely to raise their individual productivity levels, increase engagement with their colleagues and remain with the organisation for longer.

Kgomo and Swarts (2010) maintain that one of the most effective tools for retention in any industry is empowerment. If employees feel empowered in their jobs and truly valued by the company that they work will be more likely to stay. The actions of the employer and the prevailing workplace culture are equally important. This is supported by research, which was conducted by Evenson, Harker and Frei (1998) who found that organisations that have fewer empowered employees have a higher turnover.

According to Greco, Laschinger and Wong (2006), employees will feel empowered if a leader enhances the meaningfulness of their work, allows participation in decision-making, facilitates the accomplishment of tasks, communicates confidence in high performance, and provides autonomy.

As newer generations enter the work environment, it becomes critical for organisations to ensure that they create a diverse environment so that employees can learn from the experiences of others. Career development, which includes factors such as performance management, succession planning, promotions, lateral moves and temporary assignments are alternative ways in which employees can hone their skills. If these activities continue rather than haphazard or sporadic, they can ensure continuity of employment (Masibigiri & Nienaber, 2011:4).

Organisations should ensure that the current career path strategies within the talent management systems are able to help their managerial-level employees to identify the different potential career-paths that they can take to grow within the organisation, and identify their training and development needs to improve their skills and to achieve their personal career goals (Muteswa & Ortlepp, 2011:25). In addition, some people want to belong to a company that has top-class reputation, one that has a culture and a positive workplace to match (Govender & Parumasur, 2010: 247).

According to Govender and Parumasur (2010), in order to be motivated, employees must have a feeling of social comfort within the organisation and must experience pleasant working conditions with co-employees and others in the hierarchy in both formal and informal settings, thereby emphasising the need for social acumen (Charan, 2008).

The need for affiliation becomes an increasingly important source of motivation in highly demanding jobs, as emotional support and positive reinforcement, which are offered by others seem to ease the stress associated with the job demands, and creates a gratifying workplace (Nicholson, 2003; Stanley, 2008; Van Yperen, 2002).

6.3.2 Compensation and benefits

Capelli (2000) lists remuneration as the initial way that a company gains its employees' loyalty. Igbaria and Greenhaus (1992) found salary to be positively related to organisational commitment and negatively related to turnover.

Pay and benefits are often a stimulating force and are key drivers of motivation (Stanley, 2008). Benson and Dundis (2003) found that individuals who believe that they are not being fairly remunerated spend too much time contemplating this perceived inequity, to the detriment of other work concerns. Adams, cited in Lussier (2000), believes that when employees compare themselves with others, they reach one of three possible conclusions. They believe that they are under-rewarded, over-rewarded or equitably rewarded; this conclusion determines whether or not employees experience motivation (Govender & Parumasur, 2010: 247).

Extensive research, which was conducted by the Corporate Leadership Council at hundreds of companies revealed that base pay, manager quality and health benefits are most important to employees (Burleigh, Eisenberg, Kilduff & Wilson, 2001). A study that was conducted by Burgess (1998) concluded that poorly designed wage and benefit policies can lead to staff turnover, as turnover is higher in organisations that have less desirable compensation options.

A study, which was conducted by Vazirini (2007) identified performance appraisals, pay and benefits, as well as health and safety as some of the critical factors to consider when facilitating retention. According to Hoyt and Gerdloff (1999), compensation offers an opportunity for security, autonomy, recognition, and improved self-worth.

Paying employees a comparable salary has been found to result in their sense of being valued, which, in turn, increases motivation. It is especially important to pay attention to the salaries of long-service employees, as is often the case in contemporary organisations where younger, often better educated employees are paid better salaries upon entering the organisation than their long-term counterparts, which could often lead to or lack of motivation among long-term service employees. However, money alone is not the best way to motivate employees, and this implies that the perceived inequities do not have a significant effect on motivation in the long term (Nelson, 1996; Skabelund, 2008; Snyder, 2007). Matthews (2007) suggests vouchers-for anything from childcare to balloon rides – as a desirable alternative, especially when they are presented publicly by the boss (Govender & Parumasur, 2010: 247).

An organisational reward system should include what an employee values and desires in exchange for his/her contributions. Rewards may take the form of direct and indirect compensation (Van der Merwe *et al.*, 2009:77-78).

Conversely, nonfinancial recognition rewards include everything in a work environment that enhances an employee's sense of self-respect and sense of being esteemed by others (Cascio, 2003; Van der Merwe *et al.*, 2009:78).

Extrinsic motivators such as compensation may be a prime motivator for some employees. Intrinsic motivators such as a variety of nonfinancial recognition incentives appear to be more enduring and are often used to distinguish between organisations from employees' perspectives of the employees (Robinson, 2006; Van der Merwe *et al.*, 2009:78).

Formal organisational recognition schemes are generally designed in a manner that aligns the overall objectives of a company (such as increased productivity, reduced costs, better quality products and customer service, and even higher profitability) and employee performance behaviours (Luthans, 2005; Van der Merwe *et al.*, 2009:78).

According to Luthans (2005), effective formal recognition schemes should have two things: they are designed to reward effective employee performance behaviour, and

enhance employees' satisfaction and commitment, which lead to improved performance and retention (Van der Merwe *et al.*, 2009:78).

6.3.3 Company Environment

In today's highly competitive labour market there is extensive evidence that organisations, regardless of size, technological advances, market focus and other factors, are facing retention challenges. There are indeed many employee retention practices within organisations, but they are seldom developed from sound theories (Ramlall, 2004: 52).

Organisations, therefore, certainly face an enormous challenge to retain their talented core employees, as this retention relies heavily on both external equity and the provision of a positive work environment (Birt *et al.*, 2004). Employees' feelings about their jobs may be affected by them being uncertain about doing work that they are currently employed to do, having unstable relationships with their immediate supervisors, and being uncertain about their job descriptions.

According to Van der Merwe (1992:6), every manager or supervisor should realise that the responsibility to build morale and to motivate personnel is his/her function, and that he/she cannot delegate this responsibility but can only abdicate it. In addition, Gildenhuis (2003:32) maintains that when evaluating diversity strategies, public institutions should ensure that diversity management is contextualised within the overall business along with a holistic, effective and fair human resource strategy (Paramasur, 2010:536).

According to Baruch (2004), perceptions of the organisation's adherence to, amongst others, employment security, is positively related to commitment. In addition, psychological commitment is higher among employees who believe that they are being developed and invested in the long term, rather than treated as temporary commodities that are bought and sold. Investing in employees can send the message that the organisation values them.

The talented employees within DEDAT can be included in the definition of a knowledge employee. The authors define a knowledge employee as an educating individual who is at the core of knowledge transfer in an organisation (Sutherland & Jordaan, 2004).

6.3.4 Work-life balance

Strategies to ensure Work Life Balance (WLB) are amongst many that have been suggested in the literature to retain staff. Deery (2008:802-803) proposes that organisations should consider more equitable and flexible scheduling of staff which is designed to alleviate the number of unsocial hours that are worked per employee as a strategy within the control of the organisation. Similarly, the provision of mentoring and a “buddy” system of on-the-job training will assist in the professional development of staff.

Flexibility in working time includes flexibility in lifestyle and employees sometimes prefer time off to do work after hours, which include community involvement work, and travelling time for those who work from home, and flexible work schedules (Withers, 2001). They may also desire compensation in time rather than in money (Johnson, 2002).

Alternative workplace arrangements are being made available through the advancement of technology. This includes home Internet connections, video-conferencing facilities and laptops, as employees will be able to conduct their day-to-day work activities at different locations other than at their traditional offices (Muteswa & Ortlepp, 2011:25-26).

6.4 Discussion on core employee retention factors

It appears overall that the sample identified both intrinsic and extrinsic variables of the four core retention factors as being fairly important to crucial.

With particular reference to both the company development and work development environment factors, a survey, which was conducted among 2 200 individual employees by Borstorff and Marker (2007) concluded that a favourable work environment creates

higher job satisfaction and a lower intention to leave. Variables that enhance job satisfaction include job autonomy, challenge, control, importance and encouragement from supervisors. Conversely, variables that diminish job satisfaction include the existence of rigid procedures, use of surveillance, lack of resources, and restricted control over work procedures (Blum, Gilson & Shalley, 2000).

In addition to the above need for favourable company development and work development environment factors, the sample's high regard for work-life balance can be supported by the research of Mendes and Stander (2011), which recognises the need for overall wellness for both the organisation and its employees. In addition, they argue that successful organisations focus on both performance and health. This approach is based on positive psychological principles, which regard such an organisation as a healthy organisation. Positive psychology is a modern and holistic approach, which focuses on the dynamics within the organisation that lead to the development of individual and organisational performance (Luthans, 2002).

According to Wilson; DeJoy; Vandenberg; Richardson; McGrath (2004) a healthy organisation is proving to be extremely beneficial, as it has decreased stress levels and moreover fostering engaged employees, increased commitment from employees and a lowered risk of losing employees (McHugh, 2001).

6.5 Retention variables and biographical variables

6.5.1 Gender

Table 4.2 indicated that there are statistically significant differences in the dimensions of retention based on respondents' gender. There was a significant gender difference in retention based on work development environment, compensation and benefits, company environment, and work-life balance.

While literature seems to be contradictory regarding the relationship between gender and retention (Billingsley & Cross, 1992; Ngo & Tsang, 1998; Wahn, 1998), various studies support the outcome of the findings. Literature indicates that the career

experiences and advancement opportunities of females differ radically from those of their male counterparts, as males advance faster, further and with greater compensation (Bothma & Roodt, 2012; Du Plooy & Roodt, 2010; Greyling & Stanz, 2010; Griffeth, Hom & Gaertner, 2000; Kotzé & Roodt, 2005; Mendes & Stander, 2011).

According to Moore (2000), most female jobs are characterized by low wages, limited access to training programmes and little or no chance for advancement. Frost (1999) further advances the argument that women are typically exploited in terms of less pay for harder work, limited career advancement and/or promotion, as well as fewer opportunities for self-development and training.

Thomas and Dunkerley (1999) suggest that the demands to work longer hours and the difficulties of balancing career and home life have a negative impact on women managers. Huselid and Day (1991) report a significant relationship between gender and employee turnover. Rothwell (1980: 26) contends that “women returning to the labour market, after a family break, are sometimes found to be the most reliable employees (given flexible policies).”

The general argument appears to be that women, as a group, tend to be less likely to leave their employing organisation than their male counterparts (du Plooy & Roodt, 2013). More specifically, a study by Loscocco (1990) revealed that women were more likely to report that they are proud to work for their organisation, that their values and the company's values are similar, and that they would accept almost any job, which is offered to them in order to remain with their current employer.

Mowday, Porter & Steers (1982) attribute this to the fact that women generally have to overcome more barriers to attain their positions within the organisation. Harrison and Hubbard (1998) further believe that women are less likely to leave an organisation because they encounter fewer options for employment. Conversely, Sekaran (1992), on the other hand, suggests that the situation may be explained by the fact that women are generally dual-income family members who would not be unduly concerned with making more money, but are inclined to derive satisfaction by doing the best job where they are.

6.5.2 Age

The results in Table 4.3 reveal that there are statistically significant differences based on age with relationships to manager integrity and quality, role clarity, challenging and meaningful work, empowerment and responsibility, productive and friendly work relationships, excellent co-employee quality, internal mobility, exposure to new opportunities/challenges, recognition, cutting-edge work, advancement opportunities, development or learning opportunities, teamwork, pleasant daily experiences, performance evaluation and feedback, 360 degree feedback.

The results reveal that there are statistically significant differences based on age with respect to guaranteed base pay, variable pay, share awards, health benefits, retirement benefits, short term incentives, external equity, internal equity, competitive technology level, company reputation, fairness, employment equity, organisational change readiness, organisational size and stability, job security, cultural diversity, networking opportunities, open communication/transparency, child care facilities, geographic location from work and business travel and global exposure.

However, this did not hold true for the impact of age on autonomy/independence, personal fit with company culture, personal buy in to business strategy, mentoring/coaching programme, status, senior team reputation, formal information / knowledge sharing, organisational support and commitment, extra vacation/longer annual leave, flexible working hours, and option to work from home.

Several research findings on the age-turnover relationship indicates that the younger an employee, the greater the likelihood that they will leave the organisation and that older employees are less likely to quit their jobs (Bothma & Roodt, 2012; Du Plooy & Roodt, 2010; Greyling & Stanz, 2010; Griffeth, Hom & Gaertner, 2000; Kotzé & Roodt, 2005; Mendes & Stander, 2011). According to Mobley (1982), this can be attributed to the fact that younger employees may have more entry-level job opportunities, few family responsibilities and inaccurate job expectations, and are, therefore, not fulfilled in their early jobs. In addition, the possibility exists that movement from one organisation to another would be easier for them than for their older counterparts.

Two reasons for the positive association between commitment and age can primarily be found in literature. Firstly, as individuals age, alternative employment opportunities tend to decrease, making their current jobs more attractive (Mowday *et al.*, 1982; Mathieu & Zajac, 1990). Secondly, older individuals may be more committed to their organisations because they have a stronger investment and a greater history with the organisation than do younger employees (Harrison & Hubbard, 1998).

Therefore, younger employees are generally likely to be more mobile and to have lower psychological investments in the organisation. The older employees become, the less willing they are to sacrifice the benefits and idiosyncratic credits that are associated with seniority in the organisation (du Plooy & Roodt, 2013).

The preceding argument surmises that general differences exist between retention and age. However, the finding in this particular study, which is that there are no significant differences in certain retention variables, can be supported by studies, which found no difference of certain variables across age groups (Lord, 2002). It is interesting to note that the variables that did not hold true include autonomy/independence, personal fit with company culture, personal buy in to business strategy, mentoring/coaching programme, status, senior team reputation, formal information / knowledge sharing, organisational support and commitment, extra vacation/longer annual leave, flexible working hours, and option to work from home.

6.6 Conclusions and implications for managers

Pfeffer (1994:9) argues that "...people and how we manage them are becoming more important because many other sources of competitive success are less powerful than they once were. Recognising that the basis for competitive advantage has changed is essential to develop a different frame of reference for considering issues of management and strategy. Traditional sources of success-product and process technology, protected or regulated markets, access to financial resources and economies of scale-can still provide competitive leverage, but to a lesser degree now than in the past, leaving organisational culture and capabilities, derived from how people are managed, as comparatively more vital.

The literature indicates that retention is a multi-faceted construct and essentially that organisations must recognise both intrinsic and extrinsic factors and appreciate the factors which are important to employees (Jöao & Coetzee, 2011). Amid the current skills deficit in the South African Public Service, the brain drain has and continues to affect the country. In 2003 alone, of the self-declared emigrants, 65.2% were economically active (Stats South Africa, 2003:7). The exodus of professionals has had negative effects on South Africa's economy and delivery prospects. The International Organisation for Migration states that the cost to South Africa has been more than \$5 billion in lost human capital, since 1997 (McClelland, 2002:2).

Therefore, for South Africa to achieve the short-term objectives of reform and the long term goal of transformation, a focus on talent management through improved human resource development strategy for the public service remains a daunting priority (Pillay *et al.*, 2008: 317).

Paterson (2008: 322) argues that the extent to which the South African public sector can evolve as a developmental state centres on high skills and talented workforce. Skills levels of government officials and in all functions inescapably influence the constitutional principles, which involve the effectiveness and efficiency with which the government serves the twin goals of social and economic development (Pillay *et al.*, 2008:317).

A practical contribution of this study relates to an increased understanding of the implications with regard to workforce diversity. The findings of this study have important implications and considerations for the organisation's current employment and retention strategies. Practices that match the needs of the individual with those of the organisation are likely to result in higher levels of satisfaction, commitment and engagement. This is supported by previous research findings (Döckel *et al.*, 2006; Michaels *et al.*, 2001; Robinson, 2006).

In addition, the findings reiterate the argument of Joäo and Coetzee (2011) that both intrinsic job motivators and extrinsic job motivators should be congruent with employees' own needs, making them feel affectively and normatively committed to their employer to reduce turnover intentions. The practical implications should impact on all HR value

chain activities, which range from employee entrance level to employee exit level considerations.

Kotze and Roodt (2005) found that retention could be enhanced with strategies or interventions, which are targeted at indicated age categories. Tulgan (2004) concludes that Generation Y employees are young and technology savvy, informed, ambitious and determined to succeed. In addition, they have high expectations, but more specifically, they have high expectations for themselves. Flexibility, work-life balance, mobility, career developmental opportunities and giving back to society are themes that are pertinent to Generation Y's workplace needs.

McIntosh-Elkins, McRitchie & Scoones (2007) argue that a one-size-fits-all approach to attracting and retaining will not work for Generation Y. At the same time, Generation X employees have a need to play meaningful roles in meaningful work. They are shaping a new ethic of teamwork, while they offer loyalty, and expect it in return. However, they also want to achieve work-life balance.

In conclusion, research shows that organisations tend to focus on factors that researchers believe cause turnover rather than on factors that promote retention. From the preceding discussion, it can be safely concluded that organisations need a positive, holistic strategic approach that differs from the traditional and reactive approach (Bothma & Roodt, 2012; Du Plooy & Roodt, 2013).

Since motivating employees with diverse interests and needs represents a fundamental challenge for management, it is evident that management should develop mechanisms by that can harness the potential of all employees through effectively designing systems that will take cognisance of these individual differences. Regardless of which theory is used to explain what causes individuals to expend efforts in the pursuit of organisational goals, what is needed in the future is for research to focus on suggesting alternative theories, which deal with work motivation or, alternatively, integrate various approaches to into a framework for employee retention.

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DEDAT Questionnaire

Department of Human Resource Management
Business Faculty
Cape Peninsula University of Technology
Cape Town
8000

Date: 31 October 2011

Dear participant,

This questionnaire is designed to study aspects of talent management and its influence on the retention of key talent employees within the Department of Economic Development and Tourism (DEDAT), a provincial department in the Western Cape provincial government.

The information you provide will help us better understand the investment into talent management and its influence on the retention of key talent employees within the public service.

Because you are the one who can provide us with a correct picture of your experiences, I request that you respond to the questions frankly and honestly.

Your response will be kept strictly confidential. Only the researcher will have access to the information you give.

Thank you very much for your time and cooperation. I greatly appreciate your organisation's and your help in furthering this research.

Kind regards

Melissa Wicomb (Masters Student)

Date:

**DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM
STAFF RETENTION QUESTIONNAIRE**

Please note that:

1. You are **not required to write your name** down anywhere on the questionnaire.
2. All the responses will be treated with the utmost care and **TOTAL CONFIDENTIALITY OF RESPONSES.**

Section A: Biographical Information

You are kindly requested to complete Section A: Biographical information. **This section contains certain personal information which will be used for statistical analyses only.** Please mark a cross (x) in the appropriate blocks and specify where applicable.

1. Age (Years)

<input type="checkbox"/>	Under 30
<input type="checkbox"/>	30-35
<input type="checkbox"/>	36-40
<input type="checkbox"/>	41-50
<input type="checkbox"/>	Over 50

2. Highest Academic Qualification

<input type="checkbox"/>	Matric (Grade 12)
<input type="checkbox"/>	National Diploma
<input type="checkbox"/>	Higher Diploma
<input type="checkbox"/>	Bachelors Degree
<input type="checkbox"/>	B.Tech Degree
<input type="checkbox"/>	Honours Degree
<input type="checkbox"/>	MTech Degree
<input type="checkbox"/>	Masters Degree
<input type="checkbox"/>	DTech Degree
<input type="checkbox"/>	Doctoral Degree
<input type="checkbox"/>	Other, please specify:

3. Gender

<input type="checkbox"/>	Female
<input type="checkbox"/>	Male

4. Mother Tongue

<input type="checkbox"/>	English
<input type="checkbox"/>	Afrikaans
<input type="checkbox"/>	Xhosa
<input type="checkbox"/>	Zulu
<input type="checkbox"/>	Sotho
<input type="checkbox"/>	Other

5. Racial Group

<input type="checkbox"/>	Asian
<input type="checkbox"/>	Black
<input type="checkbox"/>	Coloured
<input type="checkbox"/>	Indian
<input type="checkbox"/>	White

6. Employment Category

<input type="checkbox"/>	Permanent
<input type="checkbox"/>	Temporary
<input type="checkbox"/>	Contract

7. Number of years in current post

<input type="checkbox"/>	11 years >
<input type="checkbox"/>	8-10 years
<input type="checkbox"/>	4-7 years
<input type="checkbox"/>	0-3 years

8. Post Level of current post

<input type="checkbox"/>	Post level 14 >
<input type="checkbox"/>	Post level 13
<input type="checkbox"/>	Post level 11-12

Section B: INTRODUCTION

It is noted that people differ from one another in what they need and expect to get from different areas of their lives including the workplace. Please think about the work you do and the Department you work for.

Part 1:

Because most jobs and employers are not perfect, consider what you view as important to be attracted to or stay with a company.

Using the scale below, please mark a **cross (x)** in the **appropriate blocks** on the scale: **crucial** (this is a 'make or break' characteristic for me in the job), **fairly important** (this is a significant plus or minus factor but not make or break), **neutral** (this would be nice to have, but it would not matter if it was not there), and **irrelevant** (this would not attract me or make me stay with a company).

Part 2:

You are also required to indicate whether or not you perceive the particular variable to be in place within the Department.

YES = Y (this variable is in place)
 NOT SURE = NS (not sure if this variable in place)
 NO = N (this variable not in place)

Variable	Crucial	Fairly important	Neutral	Irrelevant	Variable in place in the organisation (Y, NS or N)
WORK DEVELOPMENT ENVIRONMENT					
Manager integrity and quality	1	2	3	4	
Role clarity	1	2	3	4	
Challenging and meaningful work	1	2	3	4	
Autonomy/independence	1	2	3	4	
Empowerment and responsibility	1	2	3	4	
Productive and friendly work relationships	1	2	3	4	
Excellent co-worker quality	1	2	3	4	
Internal mobility	1	2	3	4	
Exposure to new opportunities and challenges	1	2	3	4	
Recognition	1	2	3	4	
Personal fit with company culture	1	2	3	4	
Cutting-edge work	1	2	3	4	

Variable	Crucial	Fairly important	Neutral	Irrelevant	Variable in place in the organisation (Yes, No or Not sure)
Advancement opportunities	1	2	3	4	
Development or learning opportunities	1	2	3	4	
Personal buy in to business strategy	1	2	3	4	
Team work	1	2	3	4	
Pleasant daily work experiences	1	2	3	4	
Mentoring/coaching programmes	1	2	3	4	
Availability of team building exercises	1	2	3	4	
Status	1	2	3	4	
Performance evaluation and feedback	1	2	3	4	
360 degree feedback	1	2	3	4	
COMPENSATION AND BENEFITS					
Guaranteed base pay	1	2	3	4	
Variable pay	1	2	3	4	
Share awards	1	2	3	4	
Health benefits	1	2	3	4	
Retirement benefits	1	2	3	4	
Short term incentives	1	2	3	4	
External equity	1	2	3	4	
Internal equity	1	2	3	4	
COMPANY ENVIRONMENT					
Competitive technology level	1	2	3	4	
Company reputation	1	2	3	4	
Senior team reputation	1	2	3	4	
Fairness	1	2	3	4	
Employment equity	1	2	3	4	
Organisational change readiness	1	2	3	4	
Organisational size and stability	1	2	3	4	

Variable	Crucial	Fairly important	Neutral	Irrelevant	Variable in place in the organisation (Yes, No or Not sure)
Job security	1	2	3	4	
Cultural diversity	1	2	3	4	
Networking opportunities	1	2	3	4	
Open communication	1	2	3	4	
Formal information	1	2	3	4	
Organisational support and commitment	1	2	3	4	
WORK-LIFE BALANCE					
Child care facilities	1	2	3	4	
Extra vacation	1	2	3	4	
Flexible working hours	1	2	3	4	
Option to work from home	1	2	3	4	
Geographic location of work	1	2	3	4	
Business travel and global exposure	1	2	3	4	

THANK YOU FOR PARTICIPATING
Please review to ensure that you have not missed any questions

GRAMMARIAN CERTIFICATE

SHAMILA SULAYMAN PROOF READING AND EDITING SERVICES

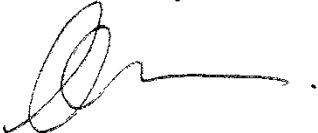
14 October 2013

Dear Sir / Madam

This proves that I have proof read and edited the research study entitled "*Investment into talent management and retention of talented employees: a case study of a department in the Western Cape Provincial Government*", and that I have advised the candidate to make the required changes.

Thank you.

Yours faithfully



(Mrs) SHAMILA SULAYMAN

Communication Lecturer: CPUT

Professional Editor's Group

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