

**The relationship between talent management, job satisfaction and job performance in a
national government department**

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Submitted in partial fulfilment of the requirements for the degree

MASTER OF ADMINISTRATION IN HUMAN RESOURCE MANAGEMENT

In the

FACULTY OF COMMERCE AND ADMINISTRATION

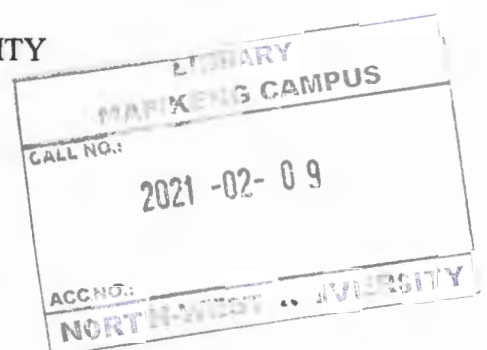
At the

NORTH-WEST UNIVERSITY

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November 2012

DECLARATION

DECLARATION

I Harriet Masetshaba Magolego, hereby declare that the research 'The Relationship between Talent Management, Job Satisfaction and Job Performance in a Government Department in Gauteng' is my own unaided work both in content and execution. All the resources I used for this study are cited and referred to in the reference list by means of a comprehensive referencing system. All ethical considerations with regard to research were observed throughout the process. Apart from the normal guidance from my supervisors, I have received no assistance, except as stated in the acknowledgements.

I declare that this study undertaken for the completion of Master of Administration in Human Resource Management at the North West University, has not previously been submitted by me or any other person for a degree at this or any other University and that all sources and material herein have been duly acknowledged.

.....
Signed: Harriet Masetshaba Magolego

Date: November 2012

ACKNOWLEDGEMENTS

A few people played a pivotal role in my life; I would like to acknowledge those whose influence facilitated my capacity and motivation to handle this mammoth project

- My gratitude goes to my family. My parents: Jacqueline and Annanies Magolego; I wish to acknowledge you for the solid foundation they gave me. Mom and Dad, I love you and thank you for your sacrifices, love, money, time and most of all your support. My beloved sister Dineo Kekana and my aunt Refiloe Mogale, for always being there for me, when I needed them the most. I'm forced to pay special tribute to my late grandmother, Marriam Ledwaba, who kept on praying for me and believed in me.
- I want to extend a voice of appreciation to my supervisors, Professor Nicolene Barkhuizen and Mrs. D.L. Lesenyeho for their time, understanding and support. If it weren't for them believing in me I wouldn't have made it this far. They silently reminded me that nothing is too difficult to achieve. Once more Prof, I thank you, and I'll forever be grateful and you're the best. I have learned a lot from you.
- The respondents who so willingly gave their time and efforts to respond to the study by filling in the questionnaires and taking interest in the study.
- To all academic and organisational researchers that provided information on the concepts of this research study, keep on writing and passing on the knowledge; your insights are greatly needed.
- To my organisation, my mentor Mrs Mfomadi-Rahube Rosa and all senior managers who took interest, thank you very much for allowing me to use the organisation's employees as research participants.
- I would also like to thank my friends Lucky Mpofu and Thapelo Mokgwasa; thank you for your support and love. Lastly, my heartfelt gratitude to the Almighty God who provided me with the fortitude to persevere successfully through my academic endeavours. It is through His grace that I am who I am today. He is my provider, hope, strength and peace.

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Abstract

Background and Aim:

South Africa as a country is reported to have a high level of skills shortage and the workforce that exists is not productive enough to meet the needs of a developing country. The global competitiveness report continues to rank the country poorly in respect of labour market and human resource development. With the ever-changing economic environment and uncertainty of the world markets, the continuous war for a good, qualified workforce between organisations can only get worse. The greatest challenge facing South Africa and organisations based in the country is how best to improve the skills levels of the current workforce and at the same time attract, retain and develop a new talented work force.

The challenge currently facing South Africa Government departments (the sample in this study) is how best to improve skills levels of the current workforce and at the same time attract, retain and develop a new labour force. The focus of talent management is being deliberately adapted, driven by business circumstances, environmental conditions, internal shortcomings and new performance challenges. The employees of the Gauteng Government department have experienced a high level of dissatisfaction as a result of poor talent management practices. This has resulted in poor job performance by disgruntled employees. The purpose of the study was therefore to investigate the relationship between Talent Management, Job Satisfaction and Job Performance.

Method:

A cross-sectional research design was followed with data collected from employees of a Government Institution in Gauteng ($N=209$). The Human Capital Index (HCI), Minnesota Job Satisfaction questionnaire and Job Performance Scale were administered. Principal Component Analysis, Reliability Analyses, Descriptive Analyses and Regression Analyses were applied.



ABSTRACT

Results:

Significant relationships exist between the following variables:

- A significant positive relationship exists between Talent Management Practices and Job Satisfaction.
- A significant positive relationship exists between Talent Management Practices and Job Performance.
- A significant positive relationship exists between Job Satisfaction and Job Performance.
- Job Satisfaction does not mediate the relationship between Talent Management and Job Performance.

Practice Relevance:

The practical contribution of the study was expected to be the application of successful and effective human resource management strategies which greatly relies upon how the organisation invests in their employees and how Talent Management Practices are applied to manage employees' talent. The study identified factors which are helpful to enhance Job Satisfaction of employees. Also, the study helped employees identify their strengths and weaknesses and seek corrective measures in developing and growing their individual careers to remain productive. For an organisation to be productive management should make sure that Talent Management Principles and strategies are applied and employees are motivated to perform to the best of their ability.

Keywords: Talent Management, Job Satisfaction and Job Performance

Chapter 1: INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

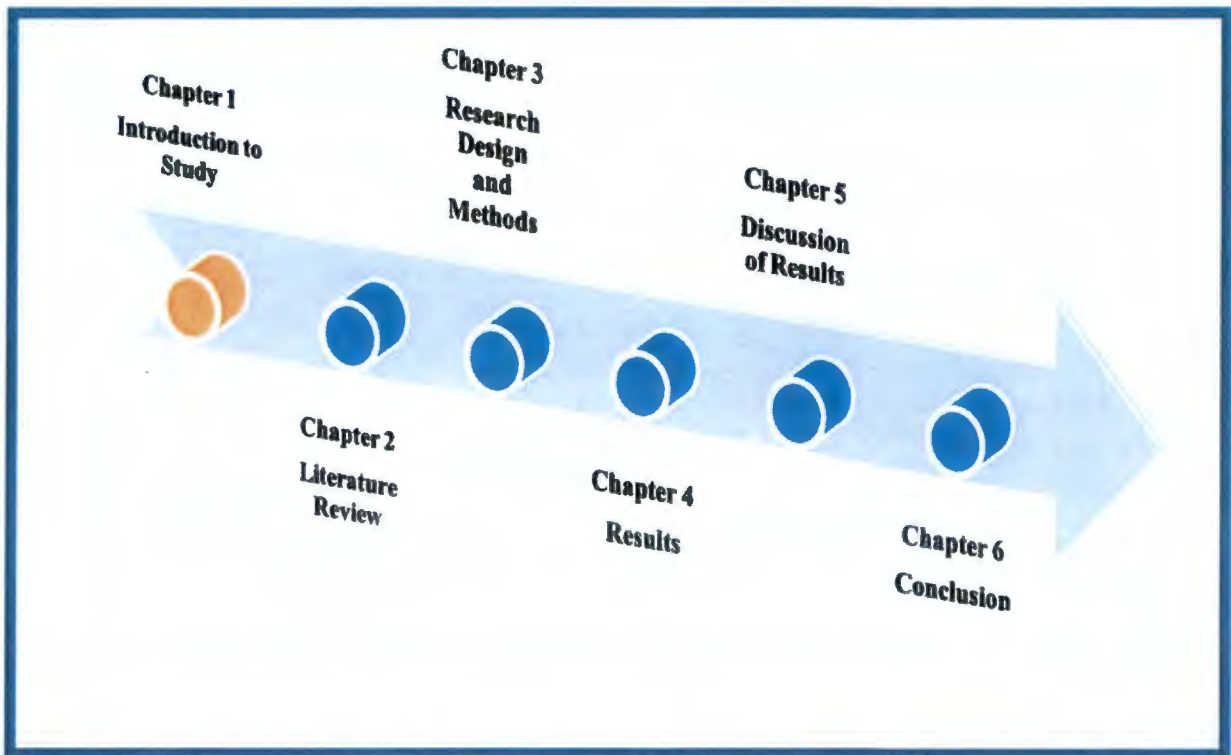


Figure 1-1: Chapter 1 in Context

In this chapter, a presentation of a broad overview of the research project focusing on the relationships among Talent Management, Job Satisfaction and Job Performance is done. The study was investigative in nature and focused on determining whether there a relationship exists between Talent Management, Job Satisfaction and Job Performance. Also, the chapter provides the background to the study, gives the problem statement, and discusses the relationship among the three concepts before addressing the problem. It also contained the research questions and research objectives. Furthermore, the contribution of the study is outlined in the Chapter. Finally, the chapter deals with an overview of the study, definitions of the key concepts and conclusion.

1.2 BACKGROUND

South Africa as a country is reported to have a high level of skills shortage and the workforce that exists is not productive enough to meet the needs of a developing country. The global competitiveness report continues to rank the country poorly in respect of labour market and human resource development (World Competitive Report, 2011). With the ever-changing economic environment and uncertainty of the world markets, the continuous war for good, qualified workforce between organisations can only get worse.

The greatest challenge facing South Africa and organisations based in the country is how best to improve the skills levels of the current workforce and at the same time attract, retain and develop a new labour force. As a country South Africa has invested more money in skills training and development, to meet the demands of good qualified labour needed by organisations to remain competitive in local and international markets (Meyer, 2005).

Workers in South Africa are continually compared to those of other countries, not only in terms of the products or services they produce, but also in terms of their skills. The skilled sector of the South African workforce is also under threat based on the need of developed countries such as Australia and the United States to attract talent from foreign nations because of their own skills shortages. The so called 'brain drain' from South Africa has become critical with thousands of highly skilled and talented individuals leaving the country for 'greener pastures' (The South Africa Migration Project, 2000).

According to the world competitiveness yearbook (2012), South Africa is improving but it is still behind as compared to most countries. South Africa has moved up two notches and is now rated 50 amongst the 59 countries that were surveyed. In 2011 the country was rated 52. The world competitiveness yearbook rankings measure how well countries use their economic and human resources to increase their prosperity. The biggest challenge facing South Africa in the new millennium is that of rebuilding the economy. This process can only be successful if companies raise performance and productivity standards through the method of enhancing Talent Management and career development (Grobler, Warnich, Carrel, Elbert & Hatfield, 2006).

However the challenge for South Africa is not just producing good quality skills, the challenge further lies with the organisation's ability to manage employees' talents and career development. Talent management refers to the skills of attracting highly skilled workers, of integrating new workers, and developing and retaining current workers to meet current and future business objectives (Pillay, Subban & Qwabe, 2008).

This therefore places a heavy burden on Human Resource (HR) managers to consistently design talent management strategies that will not only develop employees but further encourage employees to develop themselves and grow as individuals and remain productive to meet the needs of the individual organisations they work for. Increasingly, the focus of talent management is being deliberately adapted, driven by business circumstances, environmental conditions, internal shortcomings and new performance challenges (Bersin, 2007).

The workforce is the lifeblood of any organisation. Accordingly, organisations invariably look for qualified and efficient employees to realize their institutional objectives. In the process talent management play a vital role in realizing these objectives. However, attracting and retaining top performers has been recognised as one of the biggest contemporary challenges in human resources management (Reitman, 2007).

Talent management as a concept started in the late 1980s and gained popularity in the early 1990's as organisations began to notice and accept the need to manage employees' talent. The need for talent management proves crucial especially for organisations in South Africa which faces a great skills shortage. The process of attracting and retaining profitable employees, increasingly more competitive between firms and of strategic importance, has come to be known as "the war for talent." Talent management is also known as HCM (Human Capital Management) in some organisations. The process of talent management, important as it is, should not be limited only to good performance but also be used to improve the skills levels of those employees who are consistent in performance and develop their skills levels and manage careers.

Talent management is an essential component of building a team of committed, quality individuals and ushering them through a higher organisational leadership. In determining talent management needs, we focus on four key areas. One of those key focus areas is the job being done and skills level of expertise, the organisational culture, The best analyses and solutions come from honest assessment of an organisation's unwritten rules of behaviour and how they affect executive performance (Du Plessis, 2010).

The strategy put in place must not be a strategy implemented just for the sake of having a talent management strategy but should address the needs of both the employees and the organisation, and talent management processes need to be more strategic, connected, and broad-based than ever before, since well talented individuals who truly drive business performance are scarce (McCauley & Wakefield, 2006).

Managing employees' talents is often linked to increased employee performance. The aim of this research is to determine the relationship between Talent Management, Job Satisfaction and Job Performance. The researcher seeks to determine how managing employee talents can lead to Job Satisfaction and increase employee job performance.

Meyer (2005), as many managers endeavour to optimize organisational performance, most of managers use talent management to achieve that. But there is often a mismatch between what managers or policy developers believe, and what the employees are looking to achieve.

Therefore, social beings like the interaction and feeling that what they do is helpful to others, but they want to be doing it in a way that is flexible and gives them the freedom to best organize their time (Ernst & Young, 2010). But above all, and this is where talent management best practices come first before organisational structure, people want to be doing the job that is right for them. That is the role of talent selection and deployment: Assist the individual to find a niche where they can not only be the most productive for the organisation, but also the most personally satisfied, working in the career that's the best fit!

Job satisfaction is highly dependent on how employees view their work and a job they perform, and the extent to which they feel it is self-fulfilling to them (Grobler & Warnich, 2006).

A person who continually gets what they need from their work is happy and therefore far less likely to leave. If management can be taught how to skilfully manage the talent in their organisation in the right way, in accordance with their unique individual motivational drivers, then employee retention will increase. Job satisfaction is highly dependent on how employees view their work, the job they perform and the extent to which they feel it is self-fulfilling to them. There is some linkage between Talent Management and Job Satisfaction but the direction is difficult to identify. Nonetheless, what is known for sure is that Talent Management and Job Satisfaction of employees are crucial in better performing organisations (Robbins, Odendaal, Judge & Roodt, 2009).

As a business searches for new or better ways of improving competitive advantage, the capacity of every functional area to improve organisational performance is under scrutiny. As a result when there is a gap between the current and expected performance, talent management plays a major role in improving organisational performance and it paves the way to improve the organisational effectiveness and efficiency. In a situation like this, it is up to the employer to attract and retain talent in the organisation. Performance measures are the foundation of organisations, since without them no decisions can be made. Furthermore, high performance capability usually begins with planned, structured approaches to ensure best strategies in increasing performance (Reitman, 2007).

Measuring performance offers an effective method of determining whether or not an organisation is meeting its goals and achieving its mission that a company has to adopt effective and strategic performance measurement tools to obtain the stated benefits. Managers know that people make the critical difference between success and failure; the effectiveness with which organisations manage, develop, motivate, involve and engage the willing contribution of the people who work in them is a key determinant of how well those

organisations perform. Employees Development and Talent Management should be strategic, not random and unfocused (Ashton & Morton, 2005).

It is against this background that the problem statement was formulated for the study as stated under paragraph 1.3 below.

1.3 PROBLEM STATEMENT

The current challenge facing most South African Government departments is that they seem not to have clear talent management strategies to attract, retain and develop talent within their environments. Most of these departments are faced with high employee turnover rate, dissatisfied employees, incapacity and usually lack of service delivery due to lack of good, qualified and talented workforce.

There is a lack of intervention from top management officials to address poor performance. This is a problem as the lack of talent management can only culminate in poor performance and job dissatisfaction. By virtue of being human, employees need to be developed. Without a proper talent management system, it is highly unlikely that employees will be developed or receives proper relevant training which would result in career growth. The absence of succession planning and a desire to retain those qualified and well performing employees has seen most departments lose most of their workforce to organisations that show care and desire to develop their workforce.

Talent Management is a complementary practice to strategic HRM for attracting, engaging, and retaining key and leadership talent. The successful implementation of the talent management approach will assist in repositioning the Public Service as a good place to work with a higher service value proposition that will create an environment for talent to thrive. The two other emphases that the organisations should look at is managing talent more effectively and evaluating talent management practices. Effective evaluation of talent management practices is critical for the retention of a talented workforce as this would be

able to increase job performance and thus ultimately improve levels of job satisfaction (Mellahi & Collings, 2009).

The current reality is that the workforce is shrinking rapidly and, simultaneously, there are fewer skills available to meet the demands of the knowledge era. Individuals are also more virtual, globally mobile, diverse and extremely independent and empowered in the workplace. Talent Management is also driven by the anticipated skills shortage in the coming years (Human Capital Institute, 2008).

1.4 TOWARDS A CONCEPTUAL MODEL FOR THE STUDY

In the light of the preceding background and problem statement a conceptual model relating talent management, job satisfaction and job performance was developed. The research hypotheses are also indicated in this model which will be discussed in more detail in Chapter 3. The conceptual model is shown diagrammatically in Figure 1.1 below:

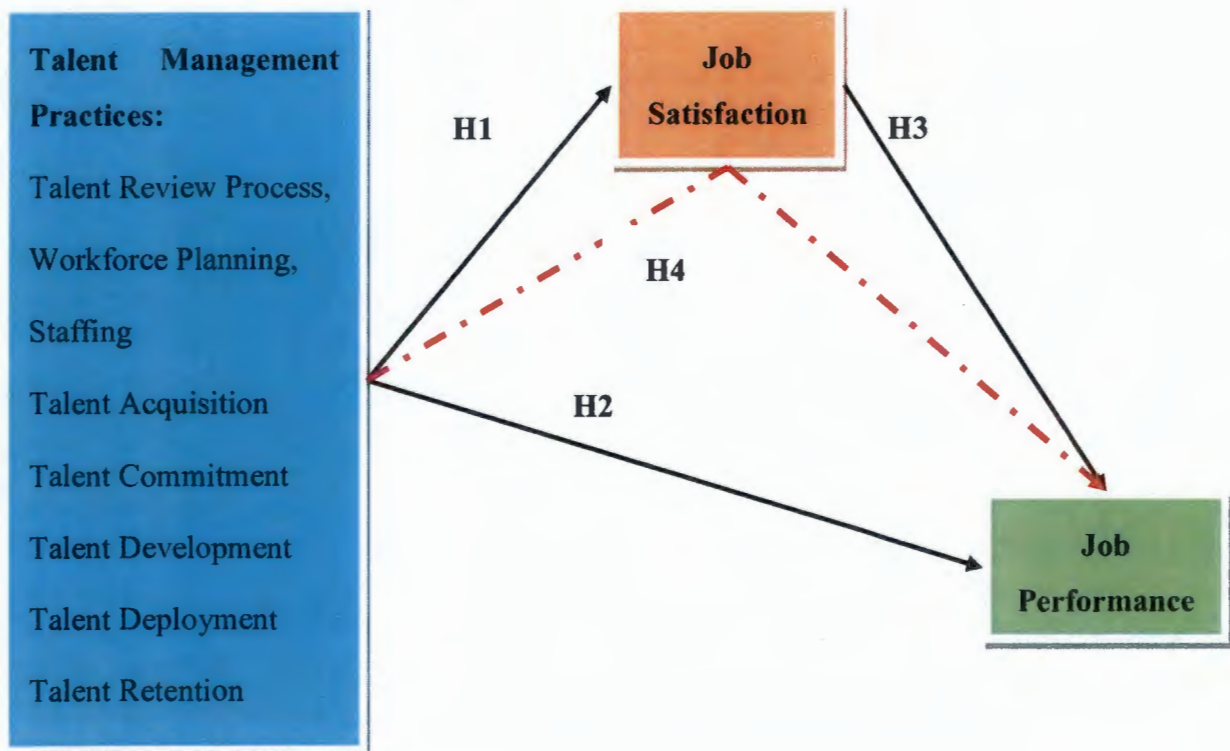


Figure 1-2: Diagrammatical presentation of the relationship between the variables in this study

The model is a structural illustration of the relationship among the key concepts as hypothesised in this research. The conceptual model shows on the one hand that Talent Management Practices leads to Job Satisfaction which ultimately leads to Job Performance; this relationship as assumed is based on hypothesis 1 and 2. On the other hand, hypothesis 3 assumes that job performance is caused by job satisfaction and hypothesis 4 assumes that Job Satisfaction leads to Talent Management Practices and Job Performance. It is proposed that a revised model will be developed according to the outcomes of the research; however, this was not the case due to the fact that all the assumptions proved to be correct after testing the hypotheses and the relationship among the key concepts.

1.5 RESEARCH QUESTIONS

The research questions of the study have been arranged into a main research question and sub-research questions as listed in paragraphs 1.5.1 and 1.5.2.

1.5.1 Main research question

The main research question of the study is stated as follows: What is the relationship between Talent Management Practices, Job Satisfaction and Job Performance in a government department?

1.5.2 The research sub-questions

The research sub-questions of the study were:

- How do employees perceive the current level of Talent Management Practices in the organisation?
- What is the level of importance of Talent Management Practices as perceived by the employees?

- To what extent is there a gap between the current level of Talent Management Practices and the importance thereof as perceived by the employees?
- What is the relationship between the current level of Talent Management Practices and employees' Job Satisfaction in the organisation?
- What is the relationship between Talent Management Practices and employees' Job Performance in the organisation?
- What is the relationship between the employees' Job Satisfaction and Job Performance in the organisation?
- Does Job Satisfaction mediate the relationship between Talent Management Practices and Job Performance in the organisation?

1.6 RESEARCH OBJECTIVES

According to Nkatini (2005, p.19) an objective is a specific and precise goal that the research sets to achieve during the research process. It provides concrete direction for content, methods, and mental processes involved in the research. Moreover, it points to hypotheses and/or research questions that must be responded to during the research process.

1.6.1 General objective

The general objective of this research was to determine the impact of applying Talent Management Principles in addressing employee job performance and the extent to which a relationship exists between Talent Management Practices, Job Satisfaction and Job Performance.



1.6.2 Specific objectives

The specific objectives of this research were:

- To determine how employees perceive the current level of Talent Management Practices in the organisation.

- To determine the level of importance of Talent Management Practices as perceived by the employees.
- To determine the extent of the gap between the current level of Talent Management Practices and the importance thereof as perceived by the employees.
- To determine the relationship between the current level of Talent Management Practices and employees' Job Satisfaction in the organisation.
- To determine the relationship between Talent Management Practices and employees' Job Performance in the organisation.
- To determine the relationship between the employees' Job Satisfaction and Job Performance in the organisation.
- To determine whether Talent Management mediates the relationship between Job Satisfaction and Job Performance in the organisation.

1.7 EXPECTED CONTRIBUTION OF THE STUDY

This study will contribute both to the organisations and academic fraternity in three ways, theoretical contribution, methodological contribution and practical contribution. For the theoretical point of view, it is important to note that the study will contribute to knowledge that exists on the concepts of this study, the relationship between Talent Management, Job Satisfaction and Job Performance in the South African context. Previous studies have been done on Job Satisfaction and Job Performance. However, there is limited research and knowledge that has been constructed on determining the relationship between the three concepts in the South African context.

With regard to the methodological contribution, a questionnaire was constructed to address the research objectives of the study and used as a data collection instrument, to gather respondent's thoughts and perceptions with regards to their organisational Talent Management, Job Satisfaction and Job Performance.

The practical contribution of the study is expected in the application of successful and effective human resource management strategies and greatly relies upon how the organisation invests in their employees and how Talent Management Practices are applied to manage employees' talent. The study identifies factors which are helpful to enhance the Job Satisfaction of employees. Also, the study will help employees identify their strengths and weaknesses and seek corrective measures in developing and growing their individual careers to remain productive. For organisations to be productive management should make sure that Talent Management Practices and strategies are applied and employees are motivated to perform to the best of their ability.

1.8 RESEARCH DESIGN

The following elements were considered under research design:

1.8.1 Research Approach

Gill and Johnson (2002), define research design as the plan or blueprint according to which data is collected to investigate the research hypotheses or questions in the most economic manner. The research design used in this study was the descriptive design of the phenomena and investigation. Foxcroft and Roodt (2005) define descriptive design as the precise measure and reporting of the characteristics of some population or phenomenon under study; its purpose is to describe the consequences of Talent Management in an organisation.

A quantitative method has been used in conducting this research. The functional or positivist paradigm that guides the quantitative mode of inquiry is based on the assumption that social reality has an objective ontological structure and that individuals are responding agents to this objective environment (Sekaran, 2000).

1.8.1.1 Literature review

According to Nel and Rogerson (2004, p.4), a study of the literature involves tracing, identifying and analysing documents containing information relating to the research problem. A literature review is also important to identify the previous (background) knowledge and to gain more insight and more information. Literature reviews are secondary sources, and as such, does not report any new or original experimental work (Hart, 2001).

It is important that a research be built on the results of previous work done by other researchers on the same concepts. Literature review represents an interactive process between the researcher and previous research studies in which the researcher generates and refines relevant concepts to the study (Sounders, Lewis & Thornhill; 2009). A literature review in this study covers published information in a particular subject area, and sometimes information in a particular subject area within a certain time period (Troyka, 2002).

1.8.1.2 Research participants

According to Sekaran (2000, p. 266) population refers to the entire group of people that the researcher wishes to investigate, the complete set of events, people or things to which the research findings are to be applied. The population of the study consisted of full-time employees and the information was obtained from all the directorates in the department. Human Resource Management Office showed that there were 700 employees in the Department and only 38% was selected as a sample. For the purpose of this research, a purposive convenient sampling was used to draw the 30% sample within the Department. The purpose of sampling was to obtain information on a small number of individuals which could be generalized to a larger aggregate (population) from which the sample came N=209.

1.8.1.3 Measuring instruments

An adapted version of the Human Capital Index (Human Capital Institute of South Africa, 2008), The Minnesota Job Satisfaction Questionnaire and a Job Performance Questionnaire were used in this study (Magolego, 2011).

Human Capital Index

The Human Capital Index (*adapted version*) of the Human Capital Institute (2008) will be used to measure the perceived talent management practices and the importance of talent management practices of the organisation. The HCI Assessment of Talent Practices originally covered 75 talent practices (Du Plessis, 2010).

The Index consisted of 36 items and measure eight Talent Management Practices namely:

- Management Commitment
- Talent Review Process
- Workforce planning
- Staffing
- Talent Acquisition
- Talent Commitment
- Talent Development
- Talent Retention

Dual scales were used in this study. Respondents were first required to rate the current TMP in the organisation on a five-point scale ranging from Poor (1) to Excellent (5). Second, the respondents were required to rate the importance of the Talent Management Practices from Not (1) to Critical (5). Previous studies found acceptable internal consistencies for the shortened version of the TMP Index, ranging from 0.73 to 0.87 (Barkhuizen & Stanz, 2010). This signifies the value of investigating employees' perceptions regarding an organisation's Talent Mindset or the execution of these practices.

Minnesota Job Satisfaction Questionnaire

The shortened version of the Minnesota Job Satisfaction Questionnaire was used to measure the job satisfaction of the respondents. The MSQ covers 15 facets, due to the fact that the

shortened questionnaire only measures 1 item per facet; all items were joined to obtain a total score. The MSQ uses the 5-point Likert-type scale ranging from Strongly Disagree (1) to Strongly Agree (5). Studies have been reported to show that an acceptable internal consistency exists for the shortened version of MSQ (Buitendach & Rothmann, 2009) & (Hirschfeld, 2000).

Job Performance Measure

For the purpose of this study, a job performance questionnaire was used to evaluate managers' understanding of performance management system and employee job performance. A five-point Likert-type scale ranging from Strongly Disagree (1) to Strongly Agree (5) was utilized.

1.8.2 Research procedure

The research was conducted following the steps below:

- A preliminary literature review to make the problem, aims, objectives and research questions clearer.
- A detailed literature review to establish a sound theoretical foundation.
- Designing the instrument as per the literature review findings.
- Conducting sampling by approaching the probable respondents through contacts and direct requests.
- Conducting the survey
- Sorting and tabulating the responses.
- Calculating descriptive statistical values.
- Comparing the means and observing the differences in various indicators.
- Drawing the recommendations and conclusion

1.8.3 Procedure in administration of questionnaires

Permission was requested from the Director-General of the Department, through a letter of request which was handed to the researcher by North-West University. The Department honoured the request from the University and granted a written approval for the study to be conducted on the sampled population in the Department. The HCI Assessment of Talent Practices, Minnesota Job Satisfaction and Job Performance Likert Scale type of questionnaire was developed with close-ended questions, and presented to the employees of the Department.

Copies of the questionnaire were hand-delivered due to the benefit of the proximity factor. 209 copies of the questionnaire were administered to the Department. Respondents were asked to return the completed questionnaires in sealed envelopes which were provided. The returning of the completed questionnaires was done either to the person who distributed them or directly to the researcher – whichever was most convenient to respondents.

Bourque and Fielder (2003, p.23) advise that the single biggest administrative disadvantage of using self-administered questionnaires is the fact that once the questionnaire leaves the surveyor's office, he or she has no control over who, in fact, fills it out and whether that person consult with others when completing it. This factor was observed and the researcher experienced that she had not control over whom and how the questionnaires were completed.

1.8.4 Statistical analysis

Statistical analysis was carried out using the SPSS Program (SPSS Inc., 2012). The reliability of the measuring instruments was determined by means of Exploratory Factor Analyses and Cronbach Alpha coefficients. Linear and Multiple Regression analyses were used to determine the relationships among the different variables.

1.9 DEFINITION OF KEY TERMS

1.9.1 Talent and Talent Management

Talent is considered as those people who can add value to the organisation through the application of their skills, abilities and knowledge to the strategic direction of the organisation (Dutttagupta, 2008). Organisations require talent that has the ability to meet the business strategy and as an organisation matures its business strategy will change.

Talent Management refers to a proactive approach to the development of skills and careers in positions that are generally critical to the success of the organisation. Through talent management, organisations are able to develop a labour force for the future, developing and integrating new workers, with the current workforce and retaining such employees to meet the needs of the organisation (Welby-Cooke, 2010).

1.9.2 Job satisfaction

Job satisfaction refers to positive or negative attitudes held by individuals toward their jobs, (Baron & Greenberg, 2003, p.148). It can also be referred to as the degree, to which individuals feel positively or negatively about their jobs (Schermerhorn, Hunt & Osborn, 2000, p. 118).

1.9.3 Performance

Performance is the way in which someone does something, how well they perform. And, on the contrary, poor performance would be the inability of employees to attain organisational goals, leading to the organisation being unable to meet its business strategic goals (Grobler, et al., 2006). According to Grobler, Warnich, Carrel, Elbert & Hartfield (2006), **Performance Management** refers to Total Quality Management (TQM) programmes which emphasise the use of all Management Tools, including performance appraisal, reward systems, job design, leadership and training.

1.9. CHAPTER DIVISIONS

The following section gives a list and brief summaries of the chapters for the whole study.

Chapter 1: Introduction and Background

This chapter served as the introduction to this research and provided the reader with a better understanding of the underlying problem that the study addressed. This chapter also provided the impetus for the research study by highlighting the problem statement and research objectives, an academic justification for the research and a basic outline of the report to follow. This chapter guided the whole study through its research objectives.

Chapter 2: Literature Review

This chapter presents an extensive literature review that gave an overview of all the concepts and aspects that were required for the development of a sound foundation for the execution of this study. The chapter commenced by focusing on each concept of the study individually. Under each of the concepts the different aspects that made up the concepts in the study will be discussed. The key concepts researched in this chapter will be:

- Talent Management;
- Job Satisfaction and
- Performance Management



Chapter 3: Research Design and Methodology

This chapter commences with a description of the applicable research paradigm, and a detailed discussion of the research design and methods which were selected as the framework through which the research questions of the study were answered. An explanation of the population and sample as well as the sampling methods is followed by data collection methods and instrument descriptions. Furthermore issues which affect the reliability of the research were considered before ethical concerns related to the study were contemplated. The

research was designed in such a manner that it could adequately meet the research objectives of this study.

Chapter 4: Results from empirical study

This chapter provides a brief discussion on the statistical techniques. The discussions include the processing, analysis, and interpretation of data in figures and tables. The chapter commences with a discussion on the biographical information s collected during the data collection phase of the study. The next phase of the chapter involves discussing the statistical analysis of the different concepts involved in the study. The final section of the chapter (better known as phase 3) discussed the different relationships of the study through the hypotheses developed in chapter 2.

Chapter 5: Discussion of the Results

This chapter provides a review of the study, summarises the key points of the literature review, and the key empirical results obtained in Chapter 4. The chapter discusses the research questions with reference to the literature review, and all the four hypotheses of the research study will be presented and will be either accepted or rejected based on the evidence from the research findings.

Chapter 6: Conclusions, Limitations and Recommendations

This chapter consists of an overview of the research findings of the study in relation to the literature reviewed and the statistical analysis undertaken. This will be done by discussing the significance and limitations of this study, as well as making suggestions for potential research opportunities in the field of Talent Management, Job Satisfaction and Job Performance.

1.10. CONCLUSION

In this chapter the purpose was to introduce the entire research with a brief discussion of the research background. It also included discussions on the problem statement, research methodology, the importance of the study and summary of the chapters of the study. Chapter 2 deals with an outline of the literature reviewed regarding the key concepts of the study.

Chapter 2:LITERATURE REVIEW

2.1 INTRODUCTION

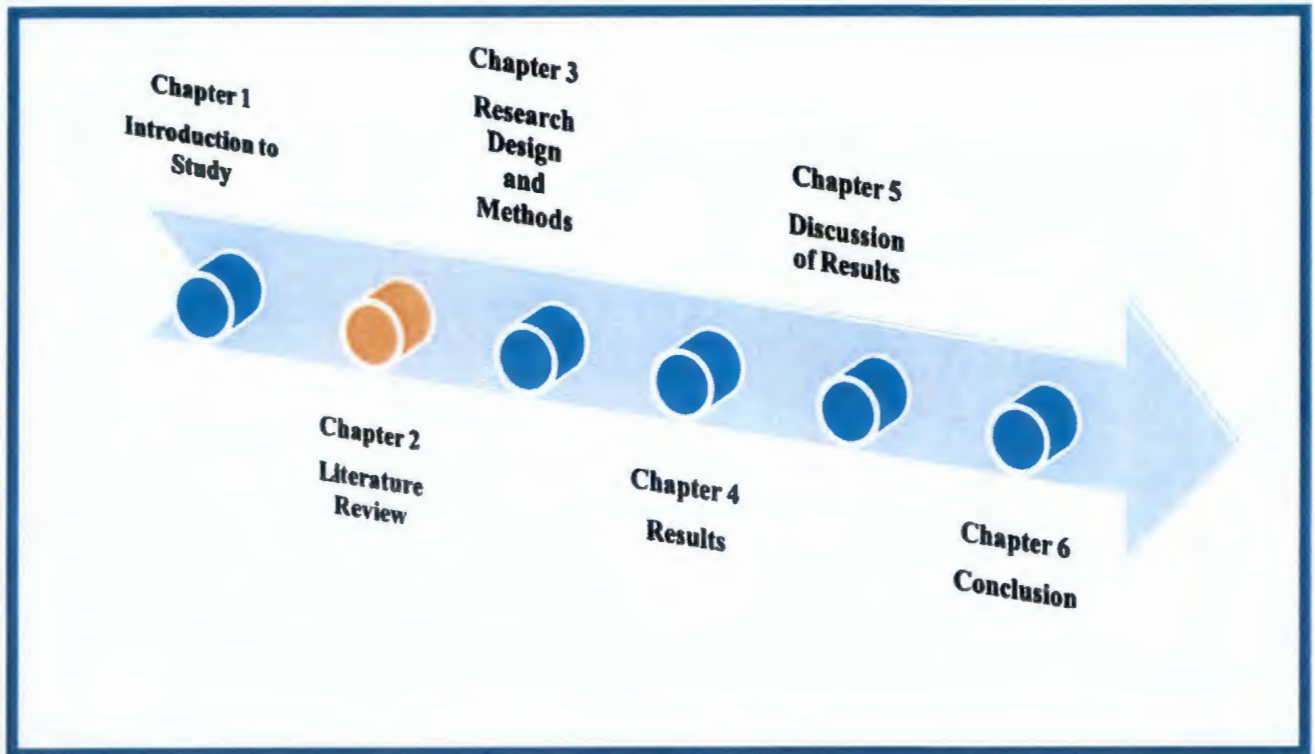


Figure 2-1: Chapter 2 in Context

This literature review will be on the following concepts: Talent Management Practices, Job Satisfaction and Job Performance, how to measure Job Satisfaction, and the effects of these concepts on employee performance. A literature review demonstrates skills in library searching, to show command of the subject area and understanding of the problem, to satisfy the research design and methodology (Hart, 1998). Furthermore the aims of a literature review is to reveal the ability to select available documents (published and unpublished) on the topic which contain data, ideas and evidence written from another researcher's point of view to express particular views on the nature of the research study, and how it is to be investigated, the effective evaluation of these documents in relation to the research proposed.

Literature review is said to be simplified by breaking down research problem into themes and sub-themes which will enable the researcher to conduct his or her research in much more detail (Hart, 1998). Literature will help reveal what is known and what remains to be researched in that particular topic of research. The concept of the framework of the study is to relate the variables identified in the problem and other variables.

2.2 TALENT MANAGEMENT

Talent management has become one of the buzzwords in Human Resource Management today. Not only has it become a buzzword but there are many definitions that have been developed by a variety of researchers. The practice of talent management was initially developed to improve the process for recruiting and developing people with the required skills and personality to meet the current organisational needs. There was a clear lack of focus on the future needs of the organisation and how existing staff members can be developed and groomed to assume positions of strategic nature and importance within organisations (Stead & Watson, 2006).

2.2.1 Talent and Talent Management

Talent can be defined as any employee with the ability to impact the organisation positively now and in the future, with the ability to add value, and also as a recurring pattern of thought, feeling or behaviour that can be productively applied (Morton, 2004). Organisations will require talent that has the ability to meet the business strategy goals.

Talent Management is a broad concept that involves the implementation of integrated human resource strategies to attract, develop, retain and productively utilize employees “with the required skills and abilities to meet current and future business needs” (Kontoghiorges & Frangou, 2009, p.29). Price water house Cooper defines talent management as those employees who have inherent competencies with energy and drive, and are committed to delivering excellent results in support of business results (Leigh-Ann & Marah, 2008). Talent Management is defined as a process aimed to ensure that organisations have the quantity and quality of people in place to meet their current and future business requirements, “the implementation of integrated strategies or systems designed to

increase workplace productivity by developing improved processes for attracting, developing and utilizing people with the required skills and aptitude to meet current and future business needs” (Godsmith, 2009; Marah & Murray, 2008).

2.2.2 Talent in the South African Context

South Africa is faced with many challenges to remain competitive globally and economically. One of these challenges is a shortage of professional and managerial skills and the imbalances in terms of race and gender at these levels. This poses most organisations with the challenge of attracting and retaining a skilled and qualified workforce to meet the needs of the organisation and ultimately succeed in this ever-changing economic environment. Organisations are still challenged by intense skills shortages based on the global demand for talent when existing employees retire.

In 2004, a high performance workforce study was conducted where it was revealed that in order to dramatically improve people performance and thus business performance, the practice of talent management was number one on the list (Lockwood, 2006). If organisations wish to survive not only the recession but also the operational and strategic challenges, they need to become the best at managing their talent (Chartered Institute for Personnel and Development, 2006).

South African organisations will have to invest more time and energy into talent management if they are to ensure that they retain their current talent and are able to attract or develop future sources of talent. However the challenge in South Africa is not just producing good quality skills; the challenge further lies with the organisation’s ability to manage employees’ talents and career development. This therefore leaves Human Resource Managers with a great challenge of how best they can utilize the human resource they have at their disposal to remain competitive in their respective organisations (Gallant, 2010).



Human Resource (HR) managers must consistently design talent management strategies that will not only develop employees but further encourage employees to develop themselves and grow as individuals and remain productive to meet the needs of the individual organisations they work for.

Increasingly, the focus of talent management is being deliberately adapted, driven by business circumstances, environmental conditions, internal shortcomings and new performance challenges (Bersin, 2007). This will require a strong alteration to the current mind-set about talent. In addition to the challenges mentioned above, South Africa also has a deeply empowered labour law system which also gives rise to a strongly unionised environment. This poses a challenge, in that the management of what an organisation defines as ‘talent’ becomes tainted with legal obligations which may or may not lead to supporting the strategy (Human Capital Institute, 2008).

2.2.3 The War for Talent

This ‘war for talent’ is fuelled by factors such as globalisation and increasing competitiveness across markets, new business growth lifecycles, the aging workforce, falling educational levels, a decline in younger workers entering, and the quality of the potential workforce in the developing countries (Ashton & Morton, 2005 Chartered Institute of Personnel & Development, 2006; Deloitte Consulting, 2006; Gurthridge, Komm & Lawson, 2008; Ready & Conger, 2007) as cited in Welby-Cooke (2010). Finding and retaining the best talent is one of the most difficult aspects of Human Resource Management. HR surveys consultancies are united in their view that organisations globally are facing a dearth of talented employees and it is often more difficult to retain them. Further research has also shown that there is a clear link between talent issues and overall productivity (Ernst & Young, 2010).

This ‘talent squeeze’ (Ashton and Morton, 2005) combined with the increased need for competitive levers in the market place, has left many organisations puzzled about how to balance the equation of retaining their talent and building capability in order to obtain market leadership. Organisations have responded by creating extreme strategies to attract and then retain talent, often linked to remuneration, which has balanced the market in favour of knowledgeable workers. Companies have created attractive packages with retention bonuses and invested large amounts of capital into developing their prime talent (Welby-Cooke, 2010).

From the definitions that have been given above, it is clear that talent management encompasses HR practices that are executed daily to help:

- Effectively plan talent needs;

- Attract the very best talent;
- Speed time to productivity;
- Motivate the right behaviour;
- Develop targeted capabilities and knowledge;
- Retain the high performers; and
- Enable talent mobility across the organisation (knowledge infusion, 2006).

2.2.4 Talent Management – A Historical Overview

It is important to look at the development of human resources to understand the current stage of talent management and what it entails. To attract, develop and retain talent within the organisation it is critical that talent management practices are applied within the organisation.

2.2.4.1 Human Resource Management

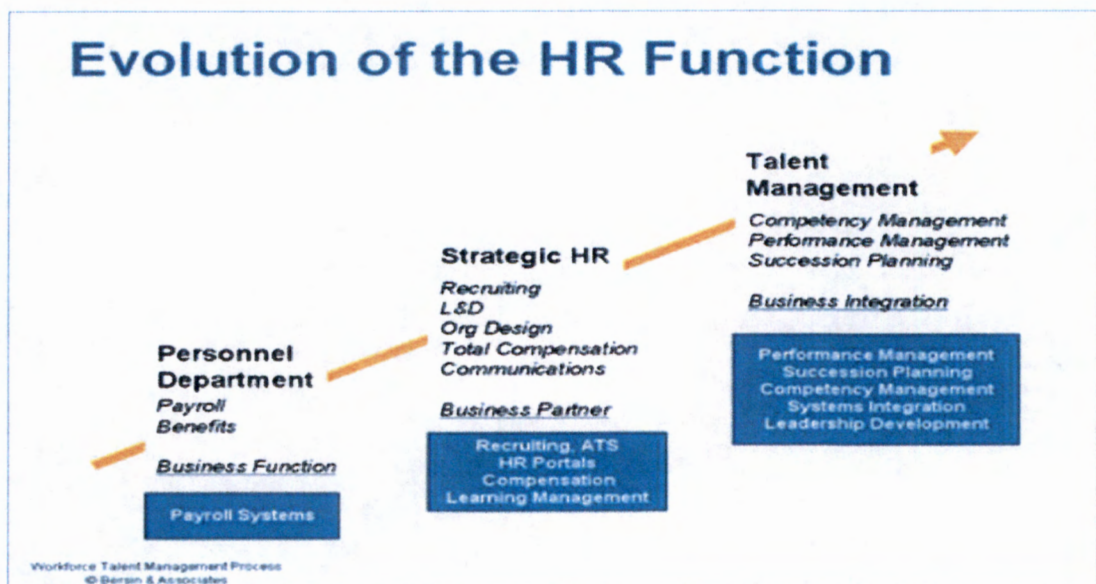


Figure 2-2: Evolution of the HR Function (Bersin, 2006).

The personnel function started to evolve in the early 20th century, a period that was characterised by industrialisation and a large scale influx of workers to the manufacturing industry. Holley and Jennings (in Gerber, Nel & Van Dyk, 1996, p.32), state that during the period 1910 to 1930 two movements arose which can be described as the psychological reform and effectiveness approach.

The psychological reform approach amounts to the fact that, in as far as is possible, every person wants to be a normal human being, but is at the same time also an employee. It was realised that people have a certain needs with regard to family, work and justice, and that the human being is creative. Successful managers realised that workers are complicated beings as a result of their intelligence and thus susceptible to stress in the work environment (Foxcroft & Roodt, 2005).

The effectiveness approach is the second approach of this era, which motivated management to realise that the employee is a unique being. One distinctive development that arose from this movement is Taylor's well known scientific management approach. Taylor stated that if an employee is not performing well, this was not the fault of the employee but that of management (Galagan, 2008).

In the 1970's and 1980's the business function that was responsible for hiring new employees was called the personnel department. The role of this function was to hire people, pay them, and make sure that they had the necessary benefits (Bersin, 2006).

2.2.4.2 HRM and Strategic HR

Strategic human resource management (strategic HRM or SHRM) may be regarded as an approach to the management of human resources that provides a strategic framework to support long-term business goals and outcomes. The approach is concerned with longer-term people issues and macro-concerns about structure, quality, culture, values, commitment and matching resources to future need (Erasmus, Swanepoel, Schenk, & Van Wyk, 2009).

Later, in the 1980's and 1990's, organisations realised that the HR function was in fact more important and it was renamed Human Resource Management and later on a concept of strategic management emerged just before the year 2000. During this period organisations realised that the HR had a much bigger role than recruitment, payroll and compensation and included organisation development, health and safety, employee wellness, training and development.

Many writers in the late 1980s started clamouring for a more strategic approach to the management of people than the standard practices of traditional management of people or industrial relations models. Strategic human resource management focuses on human resource programs with long-term objectives. Instead of focusing on internal human resource issues, the focus is on addressing and solving problems that affect people management programs in the long run and often globally. Therefore the primary goal of strategic human resources is to increase employee productivity by focusing on business obstacles that occur outside of human resources (Nkomo, Myron & McAfee, 2011).

2.2.4.3 Talent Management

Organisations that separate Talent Management from business strategy are missing the purpose of TM, which is to utilize talent to enhance organisational performance. HR and Line managers should cooperate to ensure a link between business strategy and the talent that needs to be executed (Human Capital Institute, 2009; McCauley & Wakefield, 2006). Organisations that rely exclusively on HR to drive TM strategy are “missing an opportunity to align the behaviour and capabilities of the workforce with the priorities of the business” (Guthridge, et al., 2006). Organisations which wish to attract the best of talents and retain employees across all levels must have an integrated approach to talent management.

According to the latest survey's findings from Accenture High Performance Report, about 85% of senior executives view talent management as a major competitive differentiator for attracting and retaining a skilled workforce and developing the highly talented leaders. Talent management is concerned with delivering business success by understanding what an organisation actually means

by talent and how it can achieve the long term organisational goals. It aims at ensuring that the organisation values natural talents and understands the obstructions to an effective performance.

Talent management solutions integrate the needs of management, executive and employees into one system and unify information across all the major Human Resource processes like performance management, recruitment and selection, learning and development, succession planning and career planning. Success can no longer be measured only by the amount of money a company has. The talent it possesses in the form of its employees' skills and competencies', leading to organisational capability, has become the key to success in today's highly competitive business environment (Grobler & Diedericks, 2009, p.3).



Talent management strategies are holistic in nature and aim at supporting such practices which improve the communication of goals and performance expectations across different levels in the organisation. We are now entering the talent management era and the focus is on how to integrate the functions of HR to make them work well in an effective and efficient manner (Human Capital Institute, 2009). Barsin (2006) states that the focus is now on a new set of strategic issues:

- How can we make our recruiting process more efficient and effective by using competency based recruiting instead of sorting through resumes, one at a time?
- How can we better develop managers and leaders to reinforce culture, instil values, and create a sustainable “leadership pipeline?”
- How do we quickly identify competency gaps so we can deliver training, e-learning, or development programs to fill these gaps? How can we use these gaps to hire just the right people?
- How do we manage people in a consistent and measurable way so that everyone is aligned, held accountable, and paid fairly?
- How do we identify high performers and successors to key positions throughout the organisation to make sure we have a highly flexible, responsive organisation?
- How do we provide learning that is relevant, flexible, convenient, and timely?

These strategic focus areas need HR to work in an integrated manner and do away with the silo approach. Today organisations are starting to buy, build, and stitch together performance management systems, succession planning systems, and competency management systems.

2.2.5 The Talent Management Process

Lewis and Heckman highlight that, by grounding TM in a strategic decision framework, talent decisions are clearly guided (Lewis & Heckman, 2006, p. 152). Campos and Sanchez (2003, p. 14) share this assumption and assert that competence management is one of the basic elements of an organisation's strategy process. The focus of TM from the perspective of strategic human resource management today is how the organisation plans, manages, organizes and develops its personnel so that it could fulfil the strategy and upgrade its market position (Laakso-Manninen & Viitala, 2007). According to Hall (1984, p. 159), strategic human resource development can be defined as the identification of needed skills and active management of employee learning for the long-range future, which are related to explicit corporate and business strategies.

The definition of Hall is up-to-date in that it brings up also the aspect of employee learning management. Hall (1984, pp. 160, 181) asserts that the strategic pursuit of HRD is one of the least developed areas of human resource management. The development work in organisations fails to be strategic, as the time span is often too short and there is too much training and no real future-oriented development and learning.

In 25 years, the practices have developed to some extent but they still remain in many cases as a set of formal educational activities. The TM framework by Siikaniemi (2009b) is a framework, which has been constructed for practical use in an expert organisation. The framework is based on theoretical and empirical data and shares the theories and perspectives described in this research. The framework (Figure 2.1) constitutes of the TM entity. The basis is in strategic human resource management.

Organisations are made up of people: people creating value through proven business processes, innovation, customer service, sales, and many other important activities. As an organisation strives to meet its business goals, it must make sure that it has a continuous and integrated process for recruiting, training, managing, supporting, and compensating these people. The following model shows the complete process.



Figure 2-3: Talent Management: A Process (Bersin, 2006)

2.2.5.1 Workforce Planning

Most organisations have a vision and mission which is ultimately broken down to goals, and detailed plans are developed to achieve them. Integrated with the business plan, this process establishes work force plans, hiring plans, compensation budgets, and hiring targets for the year (Bersin, 2006). This is defined as “an effort to anticipate future business and environmental demands on an organisation and to meet the HR requirements dictated by these conditions (Cascio and Herman; cited in Veldtman, 2010). Workforce planning systems involve the following processes:

- Talent inventory, which involves assessment of current resources (organisational skills, abilities and potential) and analysis of current use of employees.
- Workforce forecast involving prediction of future HR requirements (numbers, skills mix, internal versus external labour supply.)
- Action plans to be taken to enlarge the pool of qualified individuals by recruitment, selection, training, placement transfer, promotions, development and compensation.
- Control and evaluation provides for closed-loop feedback to the rest of the system and to monitor the degree of attainment of HR goals and objectives.

Therefore it can be said that the organisation's performance depends largely on its talent and its ability to manage its talent will strengthen this connection and foster a greater need to improve on current performance and self development amongst employees, (Handfield-Jones, *et al.*; cited in Veldtman, 2010).

2.2.5.2 Recruitment and Retention

Organisations cannot afford to look at recruitment in isolation from the other human resources practices. There is a need for more integration in order to deliver and add value to organisations. The methods through which organisations are able to source talent have also changed significantly with the introduction of the web which has enabled a multitude of advanced search mechanisms and which has created connections between employers and potential candidates at a phenomenal rate (Frank et al., in Cooke, 2010, p. 26).

The downside of this has almost led to the process being less personalised, which may have a negative effect, according to the researcher, on branding image and talent management on the part of the hiring organisation in the screening process (Welby-Cooke, 2010, p. 26). Frank et al. (2004) notes that web telephone conferencing and video conferencing may increase the ability to conduct immediate interviews and to personalise the process from the onset. These mechanisms that are available do not however, eliminate the talent shortages that exist and result in the sourcing of

specialists as well as leadership potential and capability remaining as a challenge (CIPD in Welby-Cooke 2010, p. 26).

Drivers of retention for organisations include the organisational culture, the degree to which the employees are engaged as well as leadership development (Lockwood, 2006). “Rewards and recognition have also been cited as key factors that can aid talent retention and improve business performance” (Chartered Institute for Personnel and Development, 2006; Lockwood, 2006). The advent of technology has resulted in easier access for employees to search for work if they feel disengaged or dissatisfied. It has however also led to providing options for employees to work from various locations and from home.

This allows organisations to also create various options to retain their talent by creating flexible work arrangements (Cheese *et al.*, 2008). Keeping women in the workplace who would normally exit the market when they have had children is easier with the capability to work from home as well as flexible working hours. It is thus crucial that a talent powered organisation is in fact created as an enabler of retention.

2.2.5.3 On-boarding

The organisation must train and enable employees to become productive and integrated into the company more quickly. The on-boarding process can be divided into two, namely placement and induction. Placement is the process through which individuals are appointed to jobs within organisations (Gerber, Nel & Van Dyk, 1996, p.148). The placement process also has to do with the movement of individuals within the organisation in the sense of promotions, transfers and termination of service. Hall and Goodale (in Gerber *et al.*, 1996, p.156) define induction as the process through which a new employee learns how to function efficiently within a new organisational culture by obtaining the information, values and behavioural skills associated with his or her new role in the organisation.

2.2.5.4 Performance Management

By using the business plan, the organisation establishes processes to measure and manage employees. Talent requires assessment to establish the talent mindset (Du Plessis, 2010). If people are not measured, they will never know how well they do and, as a result, there is no accountability (Nagel, 2012). Both the behaviours of individuals and the outcomes of their actions require measurement.

According to Handfield-Jones, *et al.* (cited in Nagel, 2012) and Workforce Management (2007) Talent Management Practices together with Performance Management are beneficial to the organisation because they strengthen the talent pool of the organisation in enlarging the labour pool from which the organisation can acquire employees. They further enable consistent management of employees' actions and behaviours which can be channelled into goal directed behaviour and provide for benchmarking employees performance, and performance standards are thus established.

The difference between HR and Talent Management in terms of Performance Management is that in the traditional way of HR, rewards and compensation should be aligned with Performance whilst Talent Management, on the other hand, views that high performing employees should be provided with meaningful pay differentiation through a significantly higher base and variable salaries than rewards and compensation (Human Capital Institute Africa & Hewitt's Human Capital Consulting, cited in Veldtman, 2010).

2.2.5.5 Training and Performance Support

This is a critically important function. Here the organisation provides learning and development programs to all levels of the organisation. This area addresses the organisation's need for a constant supply of talent. It focuses on the establishment of talent in the organisation by expecting it, identifying it, and rewarding it (Joubert; cited in Du Plessis, 2010). An organisation can create and ignite talent by providing opportunities for self-actualization through the following 8 Talent Management Practices (Joubert, 2007):

- Planning future talent supply.

- Striving to be an employer of choice.
- Sourcing young talent.
- Upgrading tutor capacity by upgrading facilities like laboratories.
- Running young professional exposures.
- Hiring based on behavioural competencies.
- Leveraging Referral recruitment to attract and retain talent.
- Sharing best practices throughout the organisation.

Similar to investing in training workshops and development, organisations should focus their resources on growing new and existing talent. Managing talent provides insight and valuable information on workforce skills, emerging performers and other valuable measurable aspects. Important aspects of development of talent include enabling career self-management as well as enabling beneficial work changes (Lawler cited in Nagel, 2012).

2.2.5.6 Succession Planning

As the organisation evolves and changes, there is a continuous need to move people into new positions. Succession planning, a very important function, enables managers and individuals to identify the right candidates for a position. This function also must be aligned with the *business plan* to understand and meet requirements for key positions 3-5 years out. While this is often a process reserved for managers and executives it is more commonly applied across the organisation (Grobler *et al.*, 2006).

2.2.5.7 Compensation and Benefits

Clearly this is an integral part of people management. Organisations tie the compensation plan directly to performance management so that compensation, incentives, and benefits align with business goals and business execution. Talent Management might have an effect on job performance. Vroom 1964 concluded from a review of the literature that when rewards are linked to performance, high performers become more satisfied because they are rewarded at higher levels. Consequently, although the idea may have intuitive and popular appeal, there is little empirical

theoretical basis for believing that people perform more effectively or produce at higher levels because they are more satisfied (Motowidlo, 1984).

The challenge for all HR Managers is that they have been constantly trying to compensate talent with rewards and high salaries and that should not be the case as salaries alone should be able to compensate for good performance, and rewards should not be tied to good performance alone but dedication. Financial rewards only temporarily keep the employees and in times where the organisation cannot compensate good performance with financial rewards employees tend to react to such with reduced performance and one may conclude that employees' are bribed to perform, which should not be the case. An organisation that has good Talent Management Practices is able to motivate and improve performance without attaching rewards to good performance (Lockwood, 2006).

This however does not mean that organisations should stop compensating performance; rather it suggests that compensation should not be seen as the only route one can use to attract, develop and manage organisational talent. Good market related salaries should be viewed as compensation enough to encourage and motivate, retain and attract talent to the organisation.

2.2.5.8 Critical Skills Gap Analysis



This is a process we identify as an important, often overlooked function in many industries and organisations. While often done on a project basis, it can be "business-critical." For example, today industries like the Telecommunications, medical sciences and Energy are facing large populations which are retiring. How do you identify the roles, individuals, and competencies which are leaving? What should you do to fill these gaps? We call this "critical talent management" and many organisations are going through this. Organisations will require talented individuals to drive real value and sustained business performance. 'Talent' is those individuals who define a competitive advantage for an organisation (Rodrigues, 2006).

The unfortunate fact is that organisations would love to focus on performance enhancement but the reality is that skills that are considered to create a competitive advantage are scarce and that the creation of skill is now a priority, (Swanepoel, Erasmus, Van Wyk & Schenk 2003). If an

organisation does however find a highly skilled individual, its efforts should be focused on retaining and developing these skills to contribute to internal capabilities. Organisations however still do not necessarily have the correct mindset to achieve this. Furthermore, they are still employing practices from the personnel control model with a few organisations utilising the people development model as opposed to one where talent is strategically multiplied to add value to the organisation.

2.2.6 Outcomes of Talent Management in the Workspace

From the discussion above it is apparent that there is a great need for organisations to invest in talent and to apply the talent management process and also develop talent strategies. The ability to attract, develop and retain talent determines the strategic capability of organisations. Many organisations are now realising that attracting, growing and retaining talent is a strategic issue. Recruitment alone is no longer sufficient, there is no alternative but to develop and grow talent within the organisation. One can therefore conclude that organisations that have the ability to retain talent hold economic benefits for the organisation, both through cost containment and revenue generation (through efficient application of talent). Organisational talent has the potential to determine the future success of the organisation (Du Plessis, 2010).

An integrated talent management framework strengthens business opportunities and relationships across the extended enterprise by quickly integrating new customers, partners and suppliers to ensure rapid, real-time knowledge transfer (Ernst & Young, 2010). Learning offerings can extend beyond traditional corporate boundaries to better educate distributors, installers and service providers, thus improving supplier and partner skills and increasing customer satisfaction (Oracle, 2008).

For the organisation to build strong relationships with its customers and employees it needs to have well dedicated employees that meet the needs of the organisation and those of the clients. Organisations that manage employees' talent are able to retain skills needed by the organisation which fosters good business relationships and identification of potential business opportunities that may be explored by the organisation (Oracle, 2012). Through talent management, organisations aim

to align personal goals of employees with organisational goals and increase the overall efficiency, productivity and profitability for the benefit of the latter.

2.3 JOB SATISFACTION

The term job satisfaction came into vogue in 1935 when Ganguli published his classic work 'Job Satisfaction'. He defined job satisfaction as "any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say, I am satisfied with my job" (Madras Psychology Society, Department of Psychology & University of Madras, 2001). Thus job satisfaction is the verbal expression of an employee's evaluation of his/her work.

Job satisfaction describes how content an individual is with his or her job. The happier people are within their jobs, the more satisfied they are said to be, (Robbins, Judge, Odendaal & Roodt, 2009). Job satisfaction is not the same as motivation or aptitude, although they are clearly linked. Other influences on satisfaction include the management style and culture, employee involvement, empowerment and autonomous work position (Robbins, Odendaal & Roodt, 2007). Job satisfaction is a very important attribute which is frequently measured by organisations.

A person with a positive attitude towards his/her job will most likely have high levels of job satisfaction; on the other hand a person with a generally negative attitude towards his job will most likely have low or no job satisfaction, which might then lead to poor performance (Greenberg & Baron, 2003, p.148). Job satisfaction is an attitude which results from specific likes and dislikes experienced in connection with the job. This evaluation may rest largely upon one's success or failure in the achievement of personal objectives and other aspects of the job.

2.3.1 Job Satisfaction Defined

Job satisfaction is one of the most researched areas of organisational behaviour and it is perceived as an attitude variable measuring the degree to which employees like their jobs and variable aspects of their jobs. Job satisfaction is relevant for all of those who are interested in the subject evaluation of working conditions such as responsibility, task variety, or communication requirements

(Hackman & Oldham, 1980) because job satisfaction is supposed to be strongly caused by such conditions.

Job satisfaction is also of major concern whenever outcome variables such as absenteeism, fluctuation or organisational inefficiency such as counterproductive behaviour or sabotage, are dealt with because job satisfaction is supposed to be a major cause of such problems (Chen & Spector, 1992).

By integrating these two perspectives, job satisfaction is placed as a central concept in work and organisational psychology, which mediates the relation between working conditions on the one hand and organisational and individual outcomes on the other hand. Spector (2000, p.197) defines job satisfaction as an attitudinal variable that reflects how people feel about their jobs overall as well as aspects of them. In simple terms, job satisfaction is the extent to which people like their jobs.

Locke and Lathan (1976, p.21) give a comprehensive definition of job satisfaction as pleasure or positive emotional state resulting from the appraisal of one's job or job experience. Job satisfaction is a result of employees' perception of how well their job provides those things that are viewed as important. Job satisfaction is a global construct, defined as the feeling an employee has about the job in general. It encompasses pay, work, supervision, opportunities, conditions and organisational practices (Smart, Kendall & Hulin, 1975). Lussier (2008, p.79) defines Job Satisfaction as a set of attitudes towards work. Job satisfaction is what most employees want from their jobs, even more than they want job security or higher pay. It is also defined as the extent to which employees favourably perceive their work (Bennette 1997, p.116). Higher job satisfaction indicates a strong correlation of the employee's expectations of the reward accruing from a job and what the job actually provides.

2.3.1.1 Types of Job Satisfaction

According to O'Malley (2002), there are two types of employee job satisfaction which are currently enjoyed in the workplace and work life in general, and they are, inward job satisfaction, and outward job satisfaction.

Job satisfaction depends on the levels of intrinsic and extrinsic outcomes and how the job holders view the outcomes. These outcomes hold different values for different people. For some people, responsible and challenging work may have neutral or even negative value depending on their education and experience with work providing intrinsic outcomes. For others, such work outcomes may have positive values. Those differences alone account for the different levels of job satisfaction for essentially the same job tasks (Grobler & Warnich, 2005, p.141).

Inward Job Satisfaction

The inward job satisfaction is basically derived from the intrinsic features of the job. Intrinsic satisfiers are driven by the nature of the work that is performed and a satisfying job has the following components: clarity, interest, discretion and feedback (Groppel, 2012).

Outward Job Satisfaction

Outward job satisfaction is derived from employees' belief that they can positively influence organisational outcomes. It is about personal effectiveness, the capacity to influence or to effect outcomes or the cause of events. Self-satisfying is related to self-efficacy where it is primarily concerned with performance accomplishments, vicarious or modelling experience and verbal persuasion (Robbins *et al.*, 2007).

2.3.2 Theories of Job Satisfaction

2.3.2.1 Job Characteristics Model (JCM)

Hackman and Oldham proposed the Job Characteristics Model (JCM), which is widely used as a framework to study how particular job characteristics impact on job outcomes, including job satisfaction. According to the JCM, any job can be described in terms of the five core job dimensions, defined as: Skills variety, Task identity, Task significance, Autonomy and Feedback, (Robbins *et al.*, 2009, p.333). The model states that the five core job characteristics (skill variety, task identity, task significance, autonomy, and feedback) which impact three critical psychological states (experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results), in turn influence work outcomes (job satisfaction, absenteeism, work motivation, etc.), (Robbins *et al.*, 2009). This helps determine the level of employee job satisfaction in the workplace.

The five core job characteristics can be combined to form a Motivating Potential Score (MPS) for a job, which can be used as an index of how likely a job is to affect an employee's attitudes and behaviours, (Weiss, 2002). A meta-analysis of studies that assess the framework of the model provides some support for the validity of the JCM. The job characteristics model has been well researched; most of the evidence supports the general framework of the theory that is there is a multiple set of job characteristics and these characteristics impact on behavioural outcomes, (Saari and Judge, 2004). Jobs that involve autonomy give job incumbents a sense of responsibility for the results obtained and if a job provides feedback, employees will have knowledge of how effectively they have performed or are performing.

From a motivational point of view, the JCM says that internal rewards are obtained by individuals when they learn (knowledge of results) that they have personally (sense of responsibility) performed well on tasks that they care about (experienced meaningfulness). The more these three psychological states are present, the greater will be employees' motivation, performance and job satisfaction and lower job dissatisfaction demonstrated through absenteeism and resignations, (Saari & Judge, 2004).

MPS is a summary index of a job's potential for motivating people. This means that jobs that are high on motivating potential must be high on one of the three factors that lead to experienced meaningfulness and they must be high on both autonomy and feedback. If jobs score high on motivating potential, the model predicts that the employees are motivated. MPS helps identify jobs that need to be redesigned to ensure employee job satisfaction. It is computed as follows:

$$\text{MPS} = \frac{\text{Skills variety} + \text{Task variety} + \text{Task significance}}{3} = \text{Autonomy and Feedback}$$

3

2.3.2.2 Dispositional Theory

Another well-known job satisfaction theory is the Dispositional Theory, (Jackson, 2007). It is a very general theory that suggests that people have innate dispositions that cause them to have tendencies toward a certain level of satisfaction, regardless of one's job. This approach became a notable explanation of job satisfaction in light of evidence that job satisfaction tends to be stable over time and across careers and jobs (Robbins & Greenberg, 2003, p.150). Timothy A. Judge in 1998, proposed a significant model that narrowed the scope of the Dispositional theory which is the Core Self-evaluations Model.

Although much work in the area of job satisfaction shows that external influences, such as job design, affect employee attitudes, some recent research suggest, that individual job attitudes may be fairly consistent over time and jobs (Vecchio, 2000). This suggests that employees may still feel dissatisfied with their jobs even if they have changed their employers due to the job they perform and its requirements. This is said to be attributed to their attitudes to such jobs, not necessarily the working environment they find themselves in.

They further suggest that individuals may be predisposed to feel good or bad about their jobs or employment situations regardless of the actual specifics of the situation, (Vecchio, 2000). These results help to explain why some employees seem to be perpetually unhappy about with their work or lives and others appear generally content with their work regardless of the changes in the work

environment. This means that people may carry their predispositions with them across jobs, predispositions to feel good or bad about their work.

Judge argued that there are four Core Self-evaluations that determine one's disposition towards job satisfaction: self-esteem, general self-efficacy, locus of control, and neuroticism. This model states that higher levels of self-esteem (how one values him/herself) and general self-efficacy (the belief in one's own competence) lead to higher work satisfaction. Having an internal locus of control (believing one has control over his/her own life, as opposed to outside forces having control) leads to higher job satisfaction, (Baron & Greenberg, 2003, p.150). Finally, lower levels of neuroticism lead to higher job satisfaction.

2.3.2.3 Affect Theory

Edwin A. Locke's Range of Affect Theory (1976) is arguably the most famous job satisfaction model. The main premise of this theory is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job. Further, the theory states that how much one values a given facet of work (e.g. the degree of autonomy in a position) moderates how satisfied/dissatisfied one becomes when expectations are / aren't met. When a person values a particular facet of a job, his satisfaction is more greatly impacted both positively (when expectations are met) and negatively (when expectations are not met), compared to one who doesn't value that facet (Bratton & Gold, 2003)

To illustrate, if Employee A values autonomy in the workplace and Employee B is indifferent about autonomy, then Employee A would be more satisfied in a position that offers a high degree of autonomy and less satisfied in a position with little or no autonomy compared to Employee B. This theory also states that too much of a particular facet will produce stronger feelings of dissatisfaction the more a worker values that facet.

2.3.3 Determinants of Job Satisfaction

There are six job dimensions that represent the most important characteristics of a job, about which people have affective responses. However the main influence can be summarized along the preceding five dimensions.

2.3.3.1 The work itself

The content of the work itself is a major source of satisfaction. At a more pragmatic level, some of the most important ingredients of a satisfying job uncovered by surveys over the years include interesting and challenging work that is not boring, and a job that provides status. Employees are more satisfied when they have challenging opportunities at work (Luthans, 2005). This provides them with the chance of participating in interesting projects, job with satisfying degree of challenge and increased responsibilities. People found challenge through projects team leadership and special projects (Luthans, 2005).

2.3.3.2 Culture

Organisational culture or we can say corporate culture comprises of experiences beliefs attitudes and values of an organisation. It can be defined as the specific collection of the norms and values that people share in an organisation and also the way interact with each other and also people outside (Robbins *et al.*, 2009). Senior management should also try to determine the corporate culture and wish to impose the standards of behaviour and corporate values that reflect the objectives of the organisation. There should be an internal and external culture within the workforce (Robbins *et al.*, 2009).



2.3.3.3 Leadership and Supervision

Supervision is another moderately important source job satisfaction. There seem to be more dimensions of supervisory style that affect job satisfaction; this research will only look at two dimensions of supervisory style that affect job satisfaction (Robbins *et al.*, 2007). One is employee centeredness, which is measured by the degree to a supervisor takes a personal interest in the employees, such as providing advice and assistance to the individual, and communicating with the

worker and providing feedback. The other dimension is participation or influence, as demonstrated by managers who allow their people to participate in decisions that affect their own jobs (Robbins *et al.*, 2009).

Leadership is the ability to influence a group towards the achievement of a vision or set of goals. The source of this influence may be formal such as provided by the superior. Employees are more satisfied when their managers are good leaders which include motivating employees to do a good job and encourage them to strive for excellence (Karate, Uludag & Menevis, 2006). On the other hand a production-oriented leader may cause low job satisfaction to the employees and may affect the turnover and absenteeism adversely.

2.3.3.4 Working Conditions

Working conditions have a modest effect on jobs satisfaction; where employees feel cherished and wanted is essential for job satisfaction (Roodt *et al.*, 2007). This includes the prevention of harassment, involvement of employees in real goal setting, planning and problem solving, showing respect for diverse ideas and opinions, giving and taking honest and constructive feedback, arranging for mentoring facilities, and sharing as much information as possible with employees (Bratton & Gold, 2003). If the working conditions are good, the personnel will find it easier to do out their jobs, if the working conditions are poor personnel will find it more difficult to get things done.

2.3.3.5 Rewards and recognition

Rewards and recognition are recognized to be significant but complex. Employees are more satisfied when they feel they are being paid fairly for the work they do. Employees want pay systems and promotion policies that they perceive as being just, unambiguous and in line with their expectations (Luthans, 2005). When pay is seen as fair based on job demands, individual skill level, and community pay standards, satisfaction is likely to result. Money not only helps people attain their basic needs but is instrumental in providing upper-level need satisfaction. Employees often see pay as a reflection of how management views their contribution to the organisation (Robbins *et al.*, 2007).

However, not everyone seeks money. Many people accept less money to work in a preferred location or in a less demanding job. The key in linking pay to satisfaction is not the absolute amount one is paid; rather it is the perception of fairness (Luthans, 2005). Similarly, individuals who perceive that promotion decisions are made in a fair manner are likely to experience satisfaction from their job. Promotions take a number of different forms and have a variety of accompanying rewards. For instance – individuals who are promoted on the basis of seniority often experience job satisfaction but not as much as those who are promoted on the basis of performance (Karatepe *et al.*, 2006).

2.3.3.6 Career development

All employees want to grow in their careers over time. Managers who wish to increase worker satisfaction look past formalities of annual appraisal and establish genuine growth paths for all their employees (Luthans, 2005). The employees feel that organisation is providing them opportunities for growth in their careers and hence they feel more satisfied with their jobs. Career development is positioned as a change agent as to bridge old and new realities and reinforce the messages of change needed and educate the employees about ‘what’s in it for them’. Career development is like a catalyst for bringing individual expectations in line with organisational realities (Luthans, 2005).

2.3.3.7 Commitment

Organisation commitment is defined as the employees feeling obligation to stay with the organisation. Commitment is a psychological bond of an employee to an organisation, the strength of which depends on the degree of employee involvement, employee loyalty and the beliefs in the values of the organisation. Commitment has become a strategic imperative (Karatepe *et al.*, 2006).

There exists a positive relationship between communication satisfaction and organisational commitment. Organisations should also increase their commitment and dedication towards their employees if they want same from their employees (Luthans, 2005). Communication plays a vital role in clearing any doubts subordinate may have or for proper flow of instructions. Different levels of job require different communication patterns and hence it acts as a moderating factor in the relationship (Du Plessis, Stanz & Barkhuizen, 2010)

2.3.4 Outcomes of Job Satisfaction in the Workplace

Job satisfaction is of utmost importance in the modern workplace. The interest in job satisfaction is that whether employees are satisfied or dissatisfied with their jobs has significant consequences not just for the employee but also fellow employees, managers, groups, teams, and ultimately the organisation at large. For the purpose of this study this section will consider several consequences of job satisfaction but emphasis will be made more on Job Satisfaction and Job Performance (Barkhuizen, 2005).

2.3.4.1 Satisfaction and attitudes

Job satisfaction is an attitude that workers have about their jobs. It results from their perception of the jobs. The idea of an organisation as a social system requires that some consideration be given to the benefits received by its participants as well as its clients and customers. Positive attitude is also known as the good soldier syndromes because employees arrive on time, complete tasks allocated to them, complete their work on time and improve the quality of performance and involvement in the organisation (Du Plessis, 2010). This in turn enables creativity and innovation to come into the organisation, (Schultz *et al.*, 2003). The employee attitude is mostly related to organisational outcomes. Other employee attitudes, such as organisational commitment, have similar relationships to outcomes as job satisfaction.

2.3.4.2 Satisfaction and Absenteeism

Dissatisfied employees do not necessarily plan to be absent, but they seem to find it easier to respond to the opportunity to do so. These voluntary absences often occur with high frequency among certain cluster of employees and usually on Mondays or Fridays. In this case it becomes critical that the difference between voluntary absenteeism and involuntary (unavoidable) absenteeism has to be distinguished (Du Plessis *et al.*, 2010).

Involuntary absenteeism can be referred to as absenteeism due to either illness or family emergency which is highly unrelated to job satisfaction. Voluntary absenteeism on the other hand refers to an employee choosing not to go to work for no apparent reason. When employees are dissatisfied with their jobs, they try to find ways of reducing exposure to them. One of the ways to achieving such is

staying away from their jobs, a phenomenon known as employee withdrawal. There are two forms of employee withdrawal namely absenteeism and voluntary turnover (Baron & Greenberg, 2003, p. 156).

Research has demonstrated an inverse relationship between satisfaction and absenteeism. When satisfaction is high, absenteeism is low; when satisfaction is low, absenteeism tends to be high. For example, research among state government employees has found that those who believed that their work was important had lower absenteeism than did those who did not feel this way (Du Plessis *et al.*, 2010). It is important to remember that while high job satisfaction will not necessarily result in low absenteeism, low job satisfaction is likely to bring about high absenteeism. Research has shown that each year more work time is lost due to absenteeism than to strikes and lock-outs. Studies of absenteeism have found that less satisfied employees are more likely to miss work, (Vecchio, 2000).

2.3.4.3 Satisfaction and Turnover

Research has uncovered a moderate relationship between satisfaction and turnover. High job satisfaction will not, in and of itself, keep turnover low, but it does seem to help. On the other hand, if there is considerable job dissatisfaction, there is likely to be high turnover (Luthans, 2006, p.260). Employees might be lacking self-fulfilment, receive little recognition on the job, or experience continual conflicts with a supervisor or peer, or they have reached a personal ladder in their career (George & Jones, 2002).

The more-satisfied employees are the less likely to go through a progressive process in which they think about quitting or announce their intention to quit. There are other factors such as commitment to the organisation that play a role in the relationship between satisfaction and turnover, (Luthans, 1998). In most cases it is possible to find certain individuals that do not see the selves working for another organisation other than the one they find themselves in and may choose to stay no matter the circumstances and conditions of work (Baron & Greenberg, 2003).

Another factor is the general economy. When things in the economy are going well, and there is little unemployment, there will be an increase in turnover because people will begin looking for greener pastures with other organisations. Even if they are satisfied, many people are willing to leave if the opportunities elsewhere promise to be better. On the other hand, if jobs are tough to get and downsizing occurs, dissatisfied employees will stay where they are (Luthans, 2006, p.147).

Employee turnover can have several negative consequences, especially if the turnover rate is high, such as the difficulty of replacing the departed workers, and the direct and indirect costs to the organisation of replacing employees are high (George & Jones, 2003). The remaining employees may be demoralised from the loss of valued co-workers, and both work and social patterns may be disrupted until replacements are found. Also the organisation's reputation may suffer in the community. However, some benefits may arise from turnover, such as opportunities for internal promotion and the infusion of expertise from newly appointed employees (Davis & Newstrom, 2002, p.214).

The fact of the matter is that though there is a relationship between job satisfaction and turnover, the effects are somehow a little hard to quantify than satisfaction and absenteeism. The correlation between satisfaction and absenteeism is much stronger. The major factors such as labour-market conditions and expectations about alternative employment and length of tenure with the organisation are important constraints on the actual decisions to leave one's current job. Evidence indicates that an important moderator of the satisfaction-turnover relationship is the employee's level of performance. Specifically level of satisfaction is less important in predicting turnover for superior performance, (Robbins *et al.*, 2007).

2.3.4.4 Satisfaction and Job Performance

Job satisfaction might have important casual effects on job performance. Vroom (1964), concluded from review of the literature that when rewards are linked to performance, high performers become more satisfied because they are rewarded at higher levels. Consequently, although the idea may have intuitive and popular appeal, there is little empirical theoretical basis for believing that people

perform more effectively or produce at higher levels because they are more satisfied (Motowidlo, 1984).

By assigning internal causes to job performance, the individual takes personal credit for job success and personal responsibility for future job performance. Such attributions may foster a more positive affective reaction to the job as the individual experience a greater sense of control over job outcomes (Norris & Niebuhr, 1984).

Locke (1970) has argued that satisfaction may be a result of performance. However, Cherrington, Reitz and Scott (1971) add that satisfaction results only when performance is appropriately rewarded. Performance is largely determined by an individual's efforts to obtain desirable organisational outcomes, while satisfaction is a function of the outcomes actually received (Lawler, 1973, p.85). If we accept this basic premise, then it can be concluded that there is a relationship between job satisfaction and performance. Organisations that reward performance either directly or indirectly have a higher chance of satisfying their employees.

Most people believe satisfied workers are more productive workers (Vecchio, 2000). They reason that in most cases satisfied employees are inclined to be more involved with their work, and therefore they become more productive (Vecchio, 2000). However this might be the case, research is still yet to prove that there is a relationship between job satisfaction and productivity. In fact, evidence suggests that the relationship between job satisfaction and productivity is very weak one (Saari & Judge, 2004). Although evidence might suggest that there is a weak relationship between job satisfaction and productivity it does not mean that employee satisfaction often yields good results for any organisation. One of the researches arguments is that because people tend to overestimate the influence of job satisfaction, they underestimate other factors that contribute to productivity (Karatepe, Uludag & Menevis, 2006).

Among other factors affecting productivity within the organisation are informal work norms, task interdependence, and machine pacing of production process. One typical example would be, co-workers might not allow an individual to work too fast or too slow since a worker who works too fast might create a logjam at the next work station (Vecchio, 2000). Although these unavoidable

factors help explain the lack of support for a relationship between job satisfaction and productivity, they do not suggest that such a relationship may exist and is often the basic block of building employee confidence and encourage dedication to ones job.

The study of the relationship between job satisfaction and job performance has been controversial and hard to determine. The Hawthorne studies, conducted in the 1930s, are often credited with making researchers aware of the effects of employee attitudes on performance. Shortly after the Hawthorne studies, researchers began taking a critical look at the notion that a “happy worker is a productive worker.” Most of the earlier reviews of the literature suggested a weak and somewhat inconsistent relationship between job satisfaction and performance (Lockwood, 2006).

A review of the literature in 1985 suggested that the statistical correlation between job satisfaction and performance was low (Luthans, 1998). Thus it was concluded that the presumed relationship between job satisfaction and performance was a “management fad” and “illusory.” This study had an important impact on researchers, and in some cases on organisations, with some managers and HR practitioners concluding that the relationship between job satisfaction and performance was of very little importance. However, further research does not agree with this conclusion.

Organ (1988) suggests that the failure to find a strong relationship between job satisfaction and performance is due to the narrow means often used to define job performance (Luthans, 1998). Organ argued that when performance is defined to include important behaviours not generally reflected in performance appraisals, such as organisational citizenship behaviours, its relationship with job satisfaction improves. Research tends to support Organ’s proposition in that job satisfaction correlates with organisational citizenship behaviours (Organ & Ryan, 1995).

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2.4 JOB PERFORMANCE

Job performance is one of the most important constructs in both organisational psychology and human resource management (Campbell, 1990). Jamal (2007) suggests job performance is a function that an individual can successfully perform within framework of normal constraints and available resources. These researchers propose that job performance is a multidimensional concept that encompasses both task-related and contextual performance factors that include the importance of skills and ability as a predictor of job performance.

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Extensive research provides greater understanding behind the significant variation in job performance among employees. Factors such as gender (Beck, Behr & Guttler, 2009), age (Feldman, 2008), salary (Ittner, Larcker & Pizzini, 2007), and stress (Hourani *et al.*, 2006) have been studied to determine the relationship of these variables to job performance. Prior research tends to carve up aspects of job motivation and job satisfaction into numerous detailed elements,

which may have diluted the convergent effect of these factors on job performance. Although these studies describe influences on job performance, the combined influence of these variables demonstrates the overall effect of both job motivation and job satisfaction on job performance. The specific relationship between job motivation and job performance has been investigated by researchers such as Van Knippenberg (2000) showing a positive correlation.

2.4.1 Motivation Theories for Job Performance

2.4.1.1 Equity Theory

Adam's Equity theory assumes that individuals value and seek social justice in how they are rewarded for their productivity and work quality (Adam, 1963). In this context, fairness is said to be achieved when an individual perceives that their outcome in terms of pay or promotion proportionately reflects their inputs (such as task behaviour, effort). Individuals compare the ratio of their input/output to that of others to determine the presence of inequality. If individual believes that there exists an inequality (positive or negative) they may alter their inputs, alter their perceptions of others' input/outcomes, or in extreme cases even leave the work situation (Campbell & Pritchard, 1976; Kanfer, 1990).

Equity literature has primarily dealt with financial compensation as an outcome. The majority of studies have dealt with the effects of underpayment and overpayment on job performance and to a lesser extent job satisfaction (Locke, 1976; Hamner & Organ, 1982). Empirical evidence has found support for the underpayment effects with Adam's model (Carrell & Dittrich, 1978). That is, individuals who perceive that they are underpaid relative to others reduce the quality and increase the quantity of their work.

On the other hand, studies of overpayment have been vague (Kanfer, 1990). Weiner (1980) found that equity norms do operate and overpayment inequity can exist. Researchers have also argued that overpayment can be difficult to interpret due to different induction procedures used (for example, during the process of recruitment of new staff, if the potential candidates are made to believe by the

management that the pay is better than what their qualifications should attract), and with variations over time of ratios suggesting inequity, particularly with changes in pay (Lawler, 1968; Pritchard, 1969).

2.4.1.2 Goal-setting Theory

Any idea that is not translated into specific goals will stay an idea only. Objectives and goals dictate our purpose and direction. Motivation is described as a driving force aimed at attaining a specific goal. The importance of goal- setting and goal attainment in performance management illustrates the role of goals in shaping and reinforcing the behaviour of employees. Management by objectives (MBO) is a widely used technique that fosters employee participation in goal-setting.

According to Locke and Latham (1990) Goal Setting Theory states that individuals make calculated decisions about their desired goals. Individuals determine the goals they intend to achieve; these goals and intentions direct and motivate efforts to attain them. Research demonstrates that participation in goal setting and acceptance of the performance standards are of critical importance toward ensuring high motivational levels. Goal setting is a standard technique used by top-level athletes, business-people and achievers in all fields; it gives you long-term vision, rather than short lived motivation. In that regard goals have a way of affecting behaviour of individuals, as related to job related performance. The other emphasis is on receiving feedback regarding goals that are achieved and the identification of gaps that need to be addressed (Robbins, *et al.*, 2007).

2.4.1.3 Personal goal setting

Setting personal goals helps people to survive. Goal setting, in all its simplicity, also shows the importance of setting for yourself hard and (or) specific goals. Individuals constantly seek to satisfy the needs they experience; the solution includes the natural process of setting goals. Personal goal setting helps in the formation of life-long and short-term goals, which otherwise people might find stressful. Goals that an individual sets for achievement carry more prominence than prescribed goals, and therefore the achievement is likely to increase. On the other hand, commitment to a

particular goal according to researchers determines the completion or achievement of the set goals (Zarqa, 1999).

In the same line it is critical that job performance is measured within the organisation to determine individual performance. Job performance is measured through setting performance standards for all employees in the organisation. The performance standards are derived from organisational goals and objectives and thus lead to job activities and thus job requirements. These job requirements will then determine performance standards (Robbins, *et al.*, 2007). Based on the job requirements the organisation is able to determine its skills needs and the calibre of employees needed. This therefore leads the organisation to manage their talents and develop such talents in-line with its organisational job performance needs and requirements. From the set standards the organisation is able to determine top performing employees and those that are lagging behind or performing below the set required standards and thus take remedial measures (Ntonga, 2007).

Jobs needs and performance determine the type of employees needed by the organisation and thus skills levels needed. Organisations acquire skills based on the needs of the organisation. Hence if the organisation is not able to meet or achieve its primary objectives it first performs an assessment of the skills it possesses and if it is capable of meeting its organisational needs. If not, remedial steps are then put into motion to compensate for inability to meet performance targets. Performance target can therefore be used to determine level of capacity of organisational workforce which then accounts for organisational talent (Marah & Leigh-Ann, 2008).

2.5 TOWARDS A CONCEPTUAL RELATIONSHIP BETWEEN TALENT MANAGEMENT, JOB SATISFACTION AND JOB PERFORMANCE

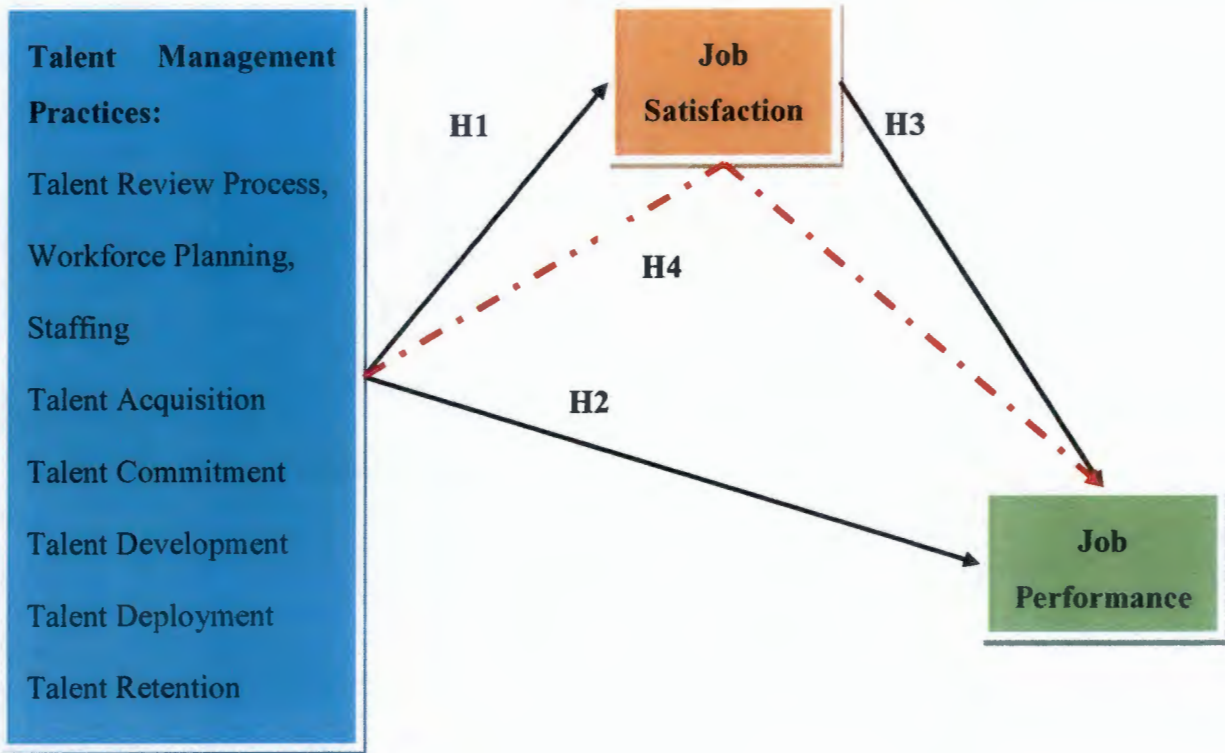


Figure 2.5: The Relationship between Talent Management, Job Satisfaction and Job Performance.

2.5.1 The relationship between Talent Management and Job satisfaction

Alderfer (1967) identified three groups of core needs. He argued that people have the need for (a) existence (b) relatedness, and (c) growth. The existence needs are concerned with providing the basic material requirements for life. The need for existence is similar to the physiological needs and several of the security needs in Maslow's hierarchy. The relatedness needs are concerned with the desire to maintain important interpersonal relationships. The need for relatedness is comparable to the social needs and several of the security and esteem needs in Maslow's hierarchy (Westlund, 2008, p.4).

Talent Management Practices in the organisation are significant predictors of job satisfaction. Talent management practices such as management commitment and talent retention encourage employees' loyalty and dedication to the organisation (McCauley & Wakefield, 2006). They furthermore instil a sense of loyalty towards task completion as employees may feel valued and see themselves as valuable assets of the organisation. Furthermore talent development leads to employees / career advancement and addresses challenges of stagnation and motivation amongst employees (Lockwood, 2006). It further delays challenges of the employee plateau which is one of the challenges in most organisations. Talent development enables flow of fresh ideas and innovation within the organisation which are the cornerstones of job satisfaction and growth (Westlund, 2008).

The growth needs satisfy the desire for personal development. These include Maslow's self-actualization needs and several esteem needs. In contrast to Maslow's hierarchy, Alderfer's ERG theory does not follow a rigid progression of steps from one level to the next, recognizing that more than one need may be operative at the same time. According to the author, if gratification of a higher need is stifled, the desire to satisfy a lower need increases. Herzberg, Mausner, and Snyderman suggested that the opposite of satisfaction is no satisfaction, not dissatisfaction (Karatepe *et al.*, 2006).

Therefore, an individual's feelings of satisfaction are different from his or her feelings of dissatisfaction. In the two-factor theory, the authors proposed that intrinsic factors are related to job satisfaction and extrinsic factors are related to job dissatisfaction. Intrinsic factors include advancement, responsibility, achievement, and recognition. The Extrinsic factors are supervision, pay, company policies, relations to others, and working conditions (Baron & Greenberg, 2003).

Herzberg argued that the removal of extrinsic factors from a job does not guarantee that the job will be satisfying. Rather, people will not be dissatisfied when these external conditions, known as the hygiene factors, are adequate. To motivate workers, the authors suggested placing an emphasis on the job characteristics that people find intrinsically rewarding. These characteristics include promotions, personal growth, recognition, responsibility, and achievement-talent management practice (Hoskinson, Porter & Wrench, 2006).

Identifying potential is one component of talent management, but actual performance reflects on usable talent. Sound performance management practices are crucial. Involve individuals in setting their own performance agreements (Marah & Leigh-Ann, 2008). These agreements need to be firm on objectives to be met, deliverables to be produced and to define quality standards, actions to be taken, and the deadlines. Employees need to be held accountable for what they deliver, but against performance agreements that function as working documents so that adjustments are made to them as circumstances dictate (Lurz, 2004). Feedback is essential - ongoing, objective and constructive. Positive reinforcement, when done with genuineness, goes a long way to making people feel recognized. Tap into what would make talented individuals within the organisation feel rewarded; it is not necessarily always about money or upward mobility (Birchfield, 2002).

2.5.2 Talent Management and Job Performance

It is accepted amongst management researchers that a sustainable competitive advantage comes from the internal qualities that are hard to duplicate rather than, for example, the firm's product, and knowledge-based views recognising the firm's knowledge resources as its tool for achieving a sustainable competitive advantage (Ntonga, 2007).

Ntonga (2007) argues that Talent Management can be the best way to create a long term competitive advantage. A sustainable competitive advantage stems from the valuable, company-specific resources that cannot be substituted by competitors. Ordonez de Pablos (2004) further argues that human capital, relational capital and structural capital can all be sources of long term competitive advantage but the most significant evidence favours human capital.

Job Performance reviews are a great opportunity to revisit organisational expectations and goals. It gives the employee a chance to discuss their own perception of their performance. In addition, it opens the door to talk about the employees' career goals and how their performance ties to career growth (Vecchio, 2004). The greater the demand for skills, the less likely employees will be loyal to their employers. This free-agency mentality is a direct backlash to poor human capital management practiced by organisations. Even in a bad economy, good talent is always in demand. The multitude of recent layoffs have left people feeling like they are easier to dispose of than corporate jets, and

this is only going to make it more expensive and harder for companies to recruit and retain talent once things bounce back.

2.5.3 Job Satisfaction and Job Performance

The relationship between job satisfaction and job performance appears to be more clearly quantified; it has also been more controversial than job motivation and job performance as illustrated by Moorman (1993; Fisher, 2003; & Judge *et al.*, 2001). Based on previous research studies one can conclude that job satisfaction is a significant predictor of employees' job performance. This is because satisfied employees are most likely to engage in activities that enhance productivity and thus increase job performance.

According to Robbins Judge *et al.*, (2003), satisfied employees are more positively inclined to ensure organisational success and further the interests of their employers than dissatisfied employees. Employees that actively seek to perform beyond the expectations of the employer do so based on the satisfaction they get from goal achievement and recognition and feedback received from the employer. It is critical and evident that employees' job satisfaction affects employees' job performance and thus it is up to the organisation to directly engage employees in ensuring their satisfaction.

Job satisfaction is of utmost importance in the modern workplace. The interest in job satisfaction is because whether employees are satisfied or dissatisfied with their jobs has significant consequences not just for the employee but also fellow employees, managers, groups, teams, and the ultimately the organisation at large. For the sake of the research in this section we will consider several potential consequences of job satisfaction: job performance, absenteeism, turnover and organisational citizenship behaviour (Vecchio, 2000).

2.6 CONCLUSION

This chapter undertook a detailed review of the available literature on the concepts of Talent Management, Job Satisfaction and Job Performance. A broad overview of the theoretical foundations of Talent Management, Job Satisfaction and Job Performance was provided, two models of Talent Management were discussed and a brief comparison of the three concepts was given, before concluding the chapter.

The chapter that follows is concerned with the research methodology. It will contain a detailed review of the whole process followed by the research method used in conducting this research study. It will also contain all the research measurements that were employed in this research study and the method of analysis which will be followed including the whole process of ensuring the validity and reliability of the research study.

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Chapter 3: RESEARCH DESIGN AND METHODS

3.1 INTRODUCTION

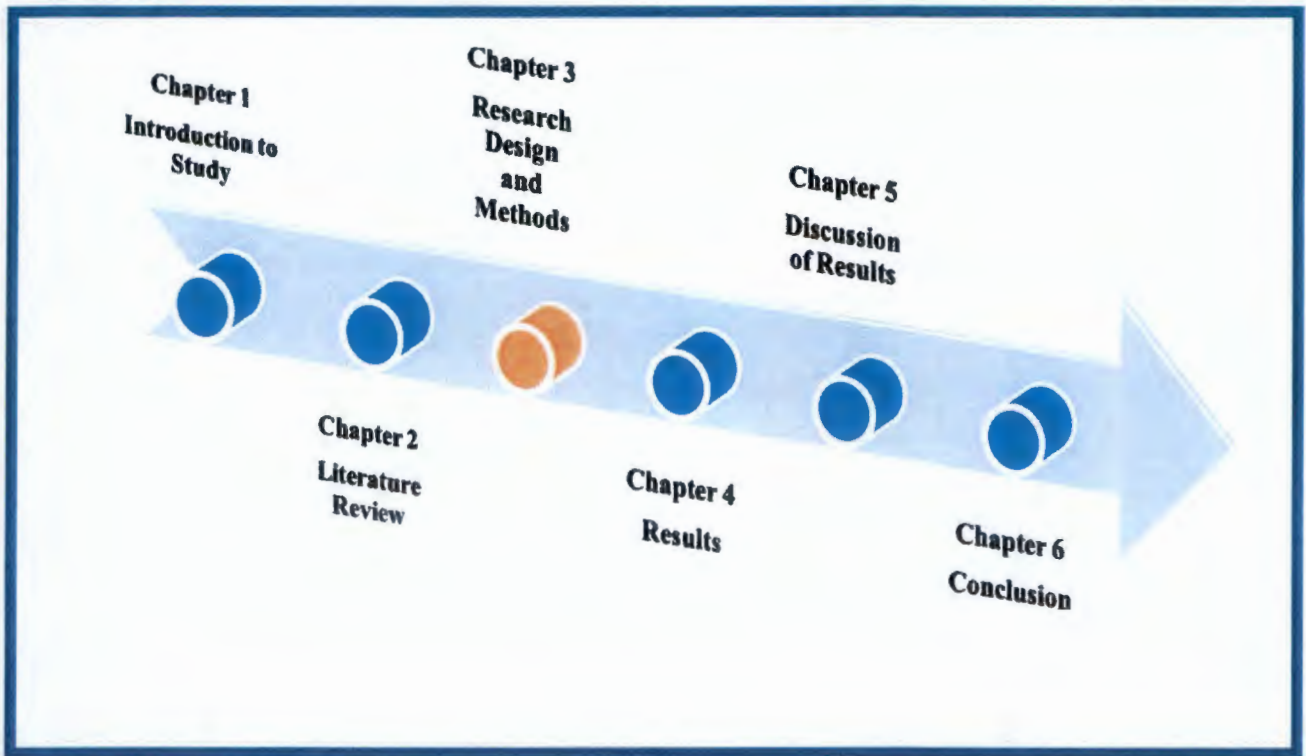


Figure 3-1: Chapter 3 in Context

In Chapter 3, an outline is given of the research methodology used in this study in addressing the research problem presented in chapter one. The rationale of the methodology employed is discussed, and it contains a description of the instruments used to measure the range of constructs applicable to this study. Furthermore, a detailed description of the research design, quantitative method, population and sample, data collection, data analyses techniques and strategies to ensure quality and rigour of the research design as well as the ethical considerations are outlined in the Chapter.

3.2 RESEARCH OBJECTIVES

The objectives of this study were formulated specially to explore the relationship between Talent Management Practices, Job Satisfaction and Job Performance of employees in a government institution in Gauteng. More specifically this study aimed at achieving the following research objectives:

- To determine how employees perceive the current level of Talent Management Practices in the Organisation.
- To determine the level of importance of Talent Management Practices as perceived by the employees.
- To determine the extent of the gap between the current level of Talent Management practices and the importance thereof as perceived by the employees.
- To determine the relationship between the current level of Talent Management Practices and employees' Job Satisfaction in the organisation.
- To determine the relationship between Talent Management Practices and employees' Job Performance in the organisation.
- To determine the relationship between the employees' Job Satisfaction and Job Performance in the organisation.
- To determine whether Talent Management mediates the relationship between Job Satisfaction and Job Performance in the organisation.

Closely linked to the research objectives is the research paradigm of the study which is presented in section 3.3 below.

3.3 RESEARCH PARADIGM / PHILOSOPHY

A paradigm can be defined as a “set of interrelated assumptions about the social world which provides a philosophical and conceptual framework for the organized study of that world”. The selected paradigm for a study guides the researcher in “philosophical assumptions about the research and in the selection of tools, instruments, participants and methods used” (Ponterotto, 2005, p.127).

The study focuses on social research methods that are based on two different approaches, namely the constructive or interpretative social science approach, and the positivism approach. The rationale for the researcher to make use of the two approaches is that Constructivism supports the existence of reality within the mind of the individual, rather than it being one universal, external entity which will assist the researcher to understand how individuals perceive Talent Management, and if they are satisfied t in their organisation and also the reason behind their performance level.

The positivism is appropriate to the study at hand as the study attempts to find a relationship between three constructs which are Talent Management, Job Satisfaction and Employee Performance, which make use of objective measurement instruments and data gathering and analysis procedure (Ponterotto, 2005).

3.4 RESEARCH METHODOLOGY

Research is the systematic process of collecting and analysing information in order to increase our understanding of the phenomenon with which we are concerned or interested. Research methodology directs the whole endeavour. The methodology controls the study, dictates the acquisition of data, arranges them in a logical relationships, sets up a means of refining the raw data, contrives an approach so that the meanings that lies beneath the surface of the data manifest, and finally issues a conclusion or series of conclusion that lead to an expansion of knowledge (Leedy 1997, p.5).

According to Huysamen (2001), methodology refers to the techniques or a particular discipline used to manipulate data and acquire knowledge. Gill and Johnson (2002) further state that methodology is a formal application of systematic and logical procedures to guide an investigation.

For this study, a descriptive research method is utilized. In this method, it is possible that the study will be cheap and quick. It can also suggest unanticipated hypotheses. Nonetheless, by using this

method it is very hard to rule out alternative explanations and especially infer causations. This descriptive type of research utilizes observations in the study.

The purpose of employing this method was to describe the nature of a situation, as it exists at the time of the study and to explore the causes of particular phenomena. The researcher opts to use this kind of research considering the researcher wishes to obtain first hand data from the respondents so as to formulate rational and sound conclusions and recommendations for the study.

To come up with pertinent findings and to provide credible recommendations, this study utilizes two sources of research; primary and secondary. On the one hand, primary research data was obtained through this new research study, a questionnaire survey. On the other hand, the secondary research data were obtained from previous studies on the same topic, books, journals and internet.

Research methodology has the following seven distinct characteristics (Leedy, 1997, p.5):

- Research originates with a question or a problem;
- Research requires a clear articulation of a goal;
- Research follows a specific plan of procedure ;
- Research usually divides the principal problem into more manageable sub-problems;
- Research is guided by the specific research problem, question, or hypothesis; research accepts certain critical assumptions;
- Research requires the collection and interpretation of data in attempting to resolve the problem that initiated the research; and
- Research is by its nature, cycling, or more exactly, helical.

It needs to be mentioned that all these eight characteristics of research methodology have been covered in the methodology of this study.

3.5 RESEARCH DESIGN

According to Gill and Johnson (2002), research design is the plan or blueprint according to which data is collected to investigate the research hypotheses or questions in the most economical manner. The research design that is used for this study is the descriptive design of the phenomena and investigation. Foxcroft and Roodt (2005) define descriptive design as the precise measure and reporting of the characteristics of some population or phenomenon under study; in this study its purpose is to determine the relationship between the Talent Management, Job Satisfaction and Job Performance in a government institution.

The aim of this study is to determine the relationship between Talent Management, Job Satisfaction and Job Performance. The purpose is to develop strategies and a model that would assist a government department in managing its Talent and in increasing employee performance. In order to gain a comprehensive understanding of the relationship between Talent Management, Job Satisfaction and Employee Performance in a government department, a quantitative approach was used for this study. The functional or positivist paradigm that guides the quantitative mode of inquiry is based on the assumption that social reality has an objective ontological structure and that individuals are responding agents to this objective environment (Sekaran, 2000).

According to Foxcroft and Roodt (2005, p.68), quantitative research refers to counts and measures of events and performing the statistical analysis of a body of numerical data. The assumption behind the positivist paradigm is that there is an objective truth existing in the world that can be measured and explained scientifically. The main concern of the quantitative paradigm is that measurement is reliable, valid, and generalizable in its clear prediction of cause and effect.

Basic descriptive statistics will be employed to describe the quantitative data, in terms of deriving conclusions and distributions of the constructed questionnaire. The benefits or strengths of the quantitative method include stating the research problem in very specific and set terms.

3.5.1 Characteristics of the research

3.5.1.1 A classification of the proposed study's overall research design

The following are appropriate descriptors that best describe the broader research design of the study:

Cross-sectional: Cross-sectional research involves the study of a particular phenomenon at a point in time. This study is carried out once, and only represents a snap shot of one particular point in time (Creswell, 2007). This design was ideally suited to the descriptive and the predictive functions associated with the correlation research. It was used to assess the interrelationship between the variables in the study (Shaunessey & Zechmeister, 1997).

Non-experimental: Non-experimental research provides a numerical (quantitative) description of attitudes, opinions or trends of a population by studying a sample of the population. Data can be collected through questionnaires or structured interviews while conducting a cross-sectional or longitudinal study (Babbie, 2008; Creswell, 2009).

Primary Data: Primary data refers to data that is collected specifically for a research project being undertaken (Saunders, Lewis & Thornhill, 2009). In this study the researcher collected empirical data to address the research.

Empirical Research: The study is classified as an empirical study as the researcher collected and analysed primary data.

Descriptive Research: Saunders *et al*; (2009) mention that descriptive research's main goal is to portray an accurate profile of people, events or situations. The main aim of this study was to provide an in-depth description of the relationship between Talent Management, Job Satisfaction and Job Performance in a government Department.

Quantitative Data (Numeric Data): Quantitative data refers to numerical data that can be statistically analysed to determine the results of the research project. The data collection technique

that was used for this study was questionnaires which generated numerical data (Saunders, *et al.*, 2009). This type of data was then used to perform statistical analysis and draw conclusions thereof. This study attempted to find a relationship by means of correlation analysis which is a statistical technique and therefore the use of numerical data was necessary.

According to Huysamen (2006), basic research is used to develop theories by testing hypotheses that have been deduced from them. Correlation research is aimed at searching for relationship between different types of data (Brynard & Hanekom 2006, p.8). To determine the relationship is not the research, but the interpretation of the correlation is needed in research.

Analytical research is appropriate for a study based on quantitative data and where statistical help is required in order to determine the meaning of the data. Evaluation research involves the application of social intervention, for example, changing the conditions under which people lives to identify the shortcomings or usefulness of program (Brynard & Hanekom 2006, p.9).

The research design that was used for this study was the descriptive design of the phenomena and investigation. Descriptive design is a valid method for researching specific subjects and as a precursor to more quantitative studies. Whilst there are some valid concerns about the statistical validity, as long as the limitations are understood by the researcher, this type of study is an invaluable scientific tool. Research design is the planning of any scientific research from the first step to the last (Bless & Higson-Smith, 2000:48). It is a guideline for the researcher in collecting, analyzing and interpreting data. The first step in constructing a good research design requires that the researcher answer several questions about the research to be conducted and reasons for the research, the type of research it would be and why.



3.6 QUANTITATIVE RESEARCH METHOD

According to Foxcroft and Roodt (2005), quantitative research refers to counts and measures of things, qualitative research refers to the meanings, concepts, definitions, characteristics, metaphors, symbols, and descriptions of things. Qualitative Research is collecting, analysing, and interpreting data by observing what people do and say.

Basic descriptive statistics will be employed to describe the quantitative data, in terms of deriving conclusions, and distributions of the constructed questionnaire. The study utilizes two sources of research; primary and secondary. Primary research data will be obtained through questionnaires survey. On the other hand, the secondary research data will be obtained from previous studies on the same topic. According to Leedy and Ormrod (2001), primary data is considered the closest to the actual study and secondary data as a layer farther away from the study performed. Cooper and Schindler (2001) consider secondary data provides background information and direction for a research.

3.6.1 Reason for choosing the Quantitative Method

Taylor (2000) states that quantitative research is a number-based research discipline; quantitative research statistically measures customer attitudes, behaviour, and performance. The quantitative approach was chosen because it emphasizes measurement and analysis of causal relationships between variables and not analysis of causal relationships between variables process (Saunders, Lewis & Thornhill, 2009). Through utilizing a series of tests and techniques, quantitative research will often yield data that is projectable to a larger population. Because it is deeply rooted in numbers and statistics, quantitative research has the ability to effectively translate data into easily quantifiable charts and graphs. With the quantitative approach, reality is viewed as singular, objective and independent of the researcher.

3.7 UNIT OF ANALYSES

Sekaran (2000) states that population refers to the entire group of people that the researcher wishes to investigate. It is impractical and uneconomic to involve all the members of the population in a research project; usually the population that interests behavioural scientists are so large that from a practical point of view, it is simply impossible to conduct research on all of them.

A population is a group of potential participants to whom you want to generalize the results of a study. In order for the results to be generalized, the sample must therefore be representative. By

representative it is implied that the sample has the exact properties in the same exact proportions from which it was drawn, but in smaller numbers (Sekaran, 2000).

The survey method is the most widely used data gathering technique in most social sciences and it is employed in many other disciplines as well. Survey researchers sample many respondents who answer the same questions in terms of standard procedures. Survey researchers measure variables that represent an alternative explanation and then statistically examine their effect to rule out alternative explanations. Survey research is chiefly used in studies which have individual people as the unit of analysis. The researcher selects a sample of respondents and administers a standardized questionnaire to them (Bless, Higson-Smith & Kagee, 2000).

In this study the population of the government department are 700 and comprises the Minister, Director-General, Deputy Director-General, and Chief Directors, Directors, Deputy Directors, Assistant Directors and Subordinates. The population for this study is the government employees, and which the sample will be drawn from this population. The population consists of all full time employees and the information was obtained from all the directorates in the government department; 38% of them were selected as a sample.

3.7.1 Sampling

Sampling is a practical way of collecting information. In this study the simple random sampling technique was utilized. This means that each employee of a government department selected had an equal opportunity to be selected as a respondent to the questionnaires. Bless and Higson-Smith (2000), the subset of the whole population which is actually investigated by a researcher and whose characteristics will be generalized to the entire population is called a sample. They further suggest that simple random sampling is a sampling procedure which provides an equal opportunity of selection for each element in the population.

This is also supported by Behr (1988) who says that in most research studies in the human sciences, the populations being studied are too large hence one must make use of samples. The author further explains that to be able to make generalizations about populations from the samples, we make use

of statistics. The government department selected for this study has (N=700) and the sample by (n=209) 38% of the employees that are office based was drawn from the population to be used to draw conclusions about the entire population of the department. Purposive convenience sampling has been used to ensure a well-balanced representation of the employees.

3.7.1.1 Sampling Technique

Sampling technique is a process or technique of selecting a suitable sample for the purpose of determining parameters or characteristics of the whole population. The best method of ensuring that an accurate sample has been drawn is through purposive convenience sampling. Therefore, the study will adopt purposive convenience sampling. It refers to a method of drawing a sample of a population or universe so that each member of the population or universe has an equal chance of being selected (Behr, 1999). This study used purposive convenience sampling method, characterised by the use of judgment and a deliberate effort to obtain representative samples by including presumably typical areas or groups in the sample (Kerlinger & Lee, 2000).

Although, the purposive convenience sampling was used, some of the steps also relate to random sampling. In terms of random sampling there are two important steps necessary to draw a random sample. Firstly all units of analysis in a sampling frame should be identified and, secondly the mechanism used to choose unit of analysis should ensure that each unit has an equal chance of being selected (Welman & Kruger 2001, p.60). The questionnaires were distributed to all Departmental directorates to fill without discriminating individuals.

3.7.2 Sampling Size

Determining the most adequate size of the sample is a very important issue. A large sample is more representative but very costly. A small sample, on the other hand is much less accurate but more convenient (Bless & Higsor-Smith, 2000). Sampling size are observations used for calculating estimates of a given population.

3.8 DATA COLLECTION

3.8.1 Questionnaires

The methods of data collection are guided by the purpose of the study. Therefore questionnaires were used to collect the data in this study. According to De Vos, Strydom, Fouche and Delpont (2002), a questionnaire is regarded as a measuring instrument which has the greatest influence on the reliability of the collected data. It is further indicated that questionnaires should be well designed to enhance the reliability and the validity of the data in order to achieve acceptable tolerance levels. In this study a structured questionnaire is used to gather people's opinions and views and compare them with the existing facts about the researched study. The questionnaires for this research were delivered and collected personally from the respondents.

The study at hand will make use of the Likert Scale type of questionnaire to allow respondents to be both objective and subjective in response. A Likert item is simply a statement which the respondent is asked to evaluate according to any kind of subjective or objective criteria; generally the level of agreement or disagreement is measured. It is considered symmetric or "balanced" because there are equal amounts of positive and negative positions, (Alvin, Burns, Burns & Ronald, 2008). The reason for the use of questionnaires as a measuring instrument is simply because of the advantages related to it since the responses are gathered in a standardized way.

3.8.2 Advantages and disadvantages of questionnaires

Bless and Higson-Smith (2000), state that the advantages and disadvantages of questionnaires are as follows: A questionnaire is applicable to large samples and it demands an individual's own view or perception and not predetermined answers from carefully prepared questions, it is useful to discover what happened in the past and what is happening currently, the importance of the questionnaire is to assist the researcher to establish and explain the aim of the investigation as well as identifying the meanings of terms that may need definitions, a questionnaire offers considerable advantages in administration in the sense that it presents an even stimulus, potentially to large number of respondents simultaneously and provides the researcher with an easier task of accumulating information (Thomas, 2004).

Questionnaires are time-consuming and expensive to develop, an impersonal approach between researcher and respondent may have adverse effects on cooperation and motivation, questionnaires are complex instruments and, if badly designed, can be misleading, quality of data is probably not as high as with alternative methods of data collection, such as personal interviewing, they can be misused – a mistake is to try to read too much into questionnaire results (Thomas, 2004).

3.8.3 Measuring instruments

An adapted version of the Human Capital Index (Human Capital Institute of South Africa), The Minnesota Job Satisfaction Questionnaire (Buitendach & Rothmann, 2009; Hirschfeld, 2000) and a Job Performance Questionnaire (Magolego, 2011) was used in this study.



3.8.3.1 Human Capital Index

The Human Capital Index (*adapted version*) of the Human Capital Institute (2008) will be used to measure the perceived talent management practices and the importance talent management practices of the organisation. The HCI Assessment of Talent Management Practices originally covered 75 talent practices (Du Plessis, 2010). Due to the limitation of the study 36 talent management practices were then selected. These talent practices were limited to 8, to enable quick and honest responses from respondents. The Index consisted of 36 items and measure Eight Talent Management Practices namely:

- Management commitment
- Talent Review Process
- Workforce planning
- Staffing
- Talent Acquisition
- Talent commitment
- Talent Development
- Talent Retention

Dual scales are used in this study. Respondents are first required to rate the current TMP in the organisation on a five-point scale ranging from “Poor (1)” to “Excellent (5).” Second, the respondents are required to rate the importance of the Talent Management Practices from Not (1) to Critical (5). Previous studies found acceptable internal consistencies for the shortened version of the TMP Index, ranging from 0.73 to 0.87 (Barkhuizen & Stanz, 2010). This signifies the value of investigating employees’ perceptions regarding an organisation’s Talent Mindset or the execution of these practices.

3.8.3.2 Minnesota Job Satisfaction Questionnaire

The shortened version of the Minnesota Job Satisfaction Questionnaire was used to measure the job satisfaction of the respondents. The MSQ covers 15 facets; due to the fact that the shortened questionnaire only measures 1 item per facet, all items were joined to obtain a total score. The MSQ uses the 5-point Likert-type scale. Studies have been reported to show that an acceptable internal consistency exists for the shortened version of MSQ (Buitendach & Rothmann, 2009; Hirschfeld, 2000).

3.8.3.3 Job Performance Measure

For the purpose of this study, job performance questionnaire were used to evaluate managers understanding of performance management system and employee job performance. A 5-point Likert-type was utilized. Initially nine items were listed on the questionnaire, however, it emerged two items were statistically rejected leaving the study with only seven items which were tested.

3.9 RESEARCH PROCESS

3.9.1 Pilot Study

To ensure that the questionnaires used in any study are acceptable, researchers recommend that pre-testing of the questionnaire is done to ensure that the questionnaire obtains useful data (Forza, 2002; Hutchinson, 2004).

Although no formal pilot study was undertaken in this study, the researcher followed the recommendations of Forza (2002) for pre-testing a questionnaire. An informal pilot study was conducted by constructing and distributing questionnaires to the following participants to determine if the methodology was effective in obtaining data that is required: Two subject matter experts; two senior managers; two middle managers, two lower managers to four lower level employees and one researcher. After completing the pilot study, the methodology was adjusted, and questionnaires were modified and improved to close the gaps and to ensure that the information gathered addressed the objective of the study. Thereafter, the study was rolled out to the full sample.

3.9.2 Procedure in administration of questionnaires

Permission was requested from the Director-General of the department, through a letter of request which was granted to the student by the University. A written approval by the Department was granted. The respondents were sent an introductory e-mail a week before the questionnaires were sent out. This introductory e-mail had an attachment of the letter of request to conduct a survey in the department and the departmental approval letter. The HCI Assessment with 8 Talent Management Practices with a total of 36 items, Minnesota Job Satisfaction and Job Performance Likert Scale type of questionnaire were developed with closed-ended questions and presented to the employees of the Department. Questionnaires were hand-delivered and purposive sampling was used for this study. 548 questionnaires were administered to the Department and only 209 questionnaires were returned; the other 339 questionnaires were spoilt due to different reasons.

Some of the reasons were that some questionnaires were not fully completed while others were not returned. Respondents were asked to return the completed questionnaires in sealed envelopes provided and return them either to the person who distributed them, or directly to the researcher. The time-frame for returning the completed questionnaires was two weeks. The first reminder was given by e-mail after a week and the second reminder was given by e-mail and personal visit to the department three days before the actual submission date for the completed questionnaires.

Bourque and Fielder (2003:23) advise that the single biggest administrative disadvantage of using self-administered questionnaires is that once the questionnaire leaves the surveyor's office, he or

she has no control over who, in fact, fills it out and whether that person consulted when completing it.

3.10 DATA ANALYSES

Statistical analysis was carried out using the SPSS Program (SPSS Inc., 2012). The reliability of the measuring instruments was determined by means of Exploratory Factor Analyses and Cronbach Alpha coefficients. Linear and Multiple Regression analyses were used to determine the relationships between the different variables, or correlations and mediations.

3.11 DEVELOPING OF RESEARCH HYPOTHESES

For purposes of this research four hypotheses were formulated as indicated in Figure 3.2 below. The model is a structural illustration of the relationship as hypothesised in this research. Talent management leads to job satisfaction which ultimately leads to job performance. The assumption is based on hypothesis 1 and 2. Hypothesis 3 assumes that job performance is caused by job satisfaction and talent management.

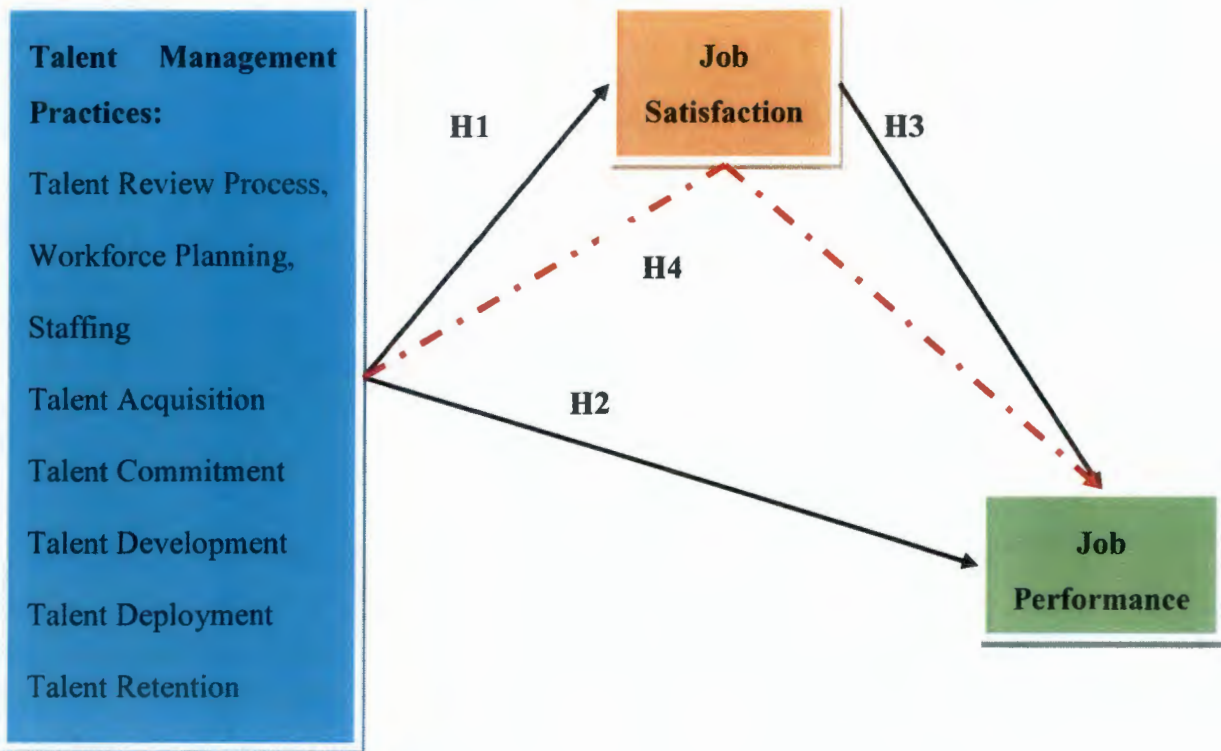


Figure 3-2: Development of Research Hypotheses

H₁: Talent Management has a positive effect on Job Satisfaction

Rationale: Talent Management Practices in the organisation are significant predictors of job satisfaction. Talent management practices such as management commitment and talent retention encourage employees' loyalty and dedication to the organisation. Talent development enables flow of fresh ideas and innovation within the organisation which are the cornerstones of job satisfaction and growth and it also assist individual to find a niche where they can not only be the most productive for the organisation but also the most personally satisfied. Talent Management and Job Satisfaction of employees are crucial in better performing organisations (Westlund, 2008). Therefore this research hypothesis is set in a directional manner.

H₂: Talent Management has a positive effect on job performance

Rationale: Previous South African research has shown that Talent Management is a significant predictor of Job Performance (Ntonga, 2007). Therefore this research hypothesis is set in a directional manner.

H₃: Job Satisfaction has a positive effect on Job Performance

Rationale: Previous South African research has shown that Job Satisfaction is a significant predictor of Job Performance (Ermakova, Barkhuizen & Van der Walt, 2010). Therefore this research hypothesis is set in a directional manner.

H₄: Job Satisfaction mediates the relationship between Talent Management and Job Performance.

Rationale: The above three hypotheses proves that Talent Management leads to Job Satisfaction; Talent Management leads to Job Performance and Job Satisfaction leads to Job Performance. Therefore it is expected that Job Satisfaction will mediate the relationship between Talent Management and Job Performance in this research.

3.12 STRATEGIES TO ENSURE QUALITY AND RIGOUR OF THE RESE+

3.13 ARCH DESIGN

3.13.1 Validity and Reliability

The artificiality of the survey format puts a strain on validity. Since people's real feelings are hard to grasp in terms of such dichotomies as "agree/disagree," "support/oppose," "like/dislike," these are only approximate indicators when creating questions. Reliability, on the other hand, is a clearer matter. Survey research presents all subjects with a standardized stimulus, and so goes a long way

toward eliminating unreliability in the researcher's observations. Careful wording, format, content can reduce significantly the subject's own unreliability (Thomas, 2004, p.68).

The concept of validity is described by a wide range of terms in quantitative research. Since documents are written by people the possibility of making a mistake is high and since some are written in an element of subjectivity and objectivity, it is very important to do quality assurance for validity and reliability purposes. Validity in the quantitative research is concerned with examining aspects such as consistency (Osborne, 2008, p.131). Researchers have developed their own concepts of validity and have often generated or adopted what they consider to be more appropriate terms, such as quality, rigor and trustworthiness.

Validity is the extent to which one can assess a questionnaire and it is specific to the particular aspects that one wishes to assess. External validity is the degree to which the study findings can be generalized to the entire population (Thomas & Nelson, 2001, p.30). The questionnaire should be constructed in such a manner that satisfies the purpose for which it is required. It is more surely to be achieved if the answers obtained from the respondent were trustworthy and truthful.

Reliability is the extent to which a measure will produce consistent results. The reliability of a research instrument or procedure refers to the consistency of the measurement of some phenomenon over relatively short periods of time. Stability over repeated measures is assessed with the Pearson Coefficient. Alternatively, forms reliability checks how similar the results are if the research is repeated using different forms. Internal consistency reliability checks how well the individual measures included in the research are converted into a composite measure (Giacobbi, 2002, p.60).

3.13.2 Bias and Errors in Survey Research

According to Leedy and Ormrod (2010) bias as an influence or condition can potentially distort the data. To acknowledge bias in the study is important as it can intrude and negatively affect the integrity of the data and results. It was vital to eradicate any bias within a research study, as without acknowledging these critical areas of research may have given rise to questions on the quality of the

research study and as a result may have put the study in dispute. The typical types of errors needed to be minimised by the researcher as described by Forza (2002) are as follow:

Sampling error: Befalls when the sample chosen has no capability of representing the population (Forza, 2002). This error makes it impossible to generalise back to the population in essence making the research of no value. This error can be overcome by employing well thought out and applicable sampling methods to ensure a sample is chosen that will indeed represent the population.

Measurement error: Measurement error may also occur within the study, because the main method of data collection is quantitative. Deliberate distortions may occur, where the data was recorded inaccurately on purpose (Saunders, *et al.*, 2009). This error could be avoided by ensuring that the instruments chosen for the study have confirmed validity and reliability and can certainly be used in the context it is planned for.

Statistical conclusion error: This refers to the typical TYPE I and TYPE II errors made in accepting or rejecting a hypothesis (Forza, 2002). There are many techniques that could be used to help the researchers to minimise the errors.

3.14 ETHICAL CONSIDERATION

Lack of cooperation leads to non-response, to incomplete filling-out of questionnaires and subsequently leads to unreliable results. While lack of cooperation can be disastrous in a research projects, participants have the right to refuse to participate. This is the right that researchers must respect (Bless & Higson-Smith, 2000, p.100). Research cannot just be conducted by anyone and anywhere. Whenever the researchers are developing questionnaires with a view to implementation thereof, ethical clearance have to be sought.

Issues of ethics in research were discussed with the respondents or participants. The data collection instrument was compiled in English owing to the nature and calibre of our participants and oral translations were provided to the participants where necessary.

The following was applied to address some of the ethical implications that might have arisen in the process of conducting this study:

- The study was subjected to approvals by the North West University and the Ethical Committee thereof;
- Permission to gather and use the data was obtained from the Director-General of the department which employees participated in the study;
- During the study, honesty, respect and sympathy towards all participants was exercised and if for any good reasons participants required debriefing before completing a questionnaire, they were provided with the necessary briefing;
- The respondents were not put at risk and voluntary participation was respected;
- The participants were assured of confidentiality and non-disclosure of their personal results to management and other parties;
- The questionnaires were designed as anonymous and were coded using individual numbers to ensure confidentiality of personal results;
- The research findings of the study were made available for participants and their employer;
- It was planned that data will be kept for a minimum of 5 years.

Every effort was made to ensure the accuracy of the information. All interpretations of the data were discussed with study leaders and external consultants with expert knowledge in the field.

3.15 CONCLUSION

Chapter three (3) of this research has dealt with how the whole research will be carried out. The chapter outlines the research route map consisting of themes such as research design, population

and sampling techniques, data collection method and statistical analysis. It has also illustrated the data collection method and tool to be used reflecting the summary of the questionnaire to be used.

In the next chapter (four) a presentation of the data collected through questionnaires is made. The collected data was analysed and interpreted in Chapter four.

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Chapter 4: RESULTS

4.1 INTRODUCTION

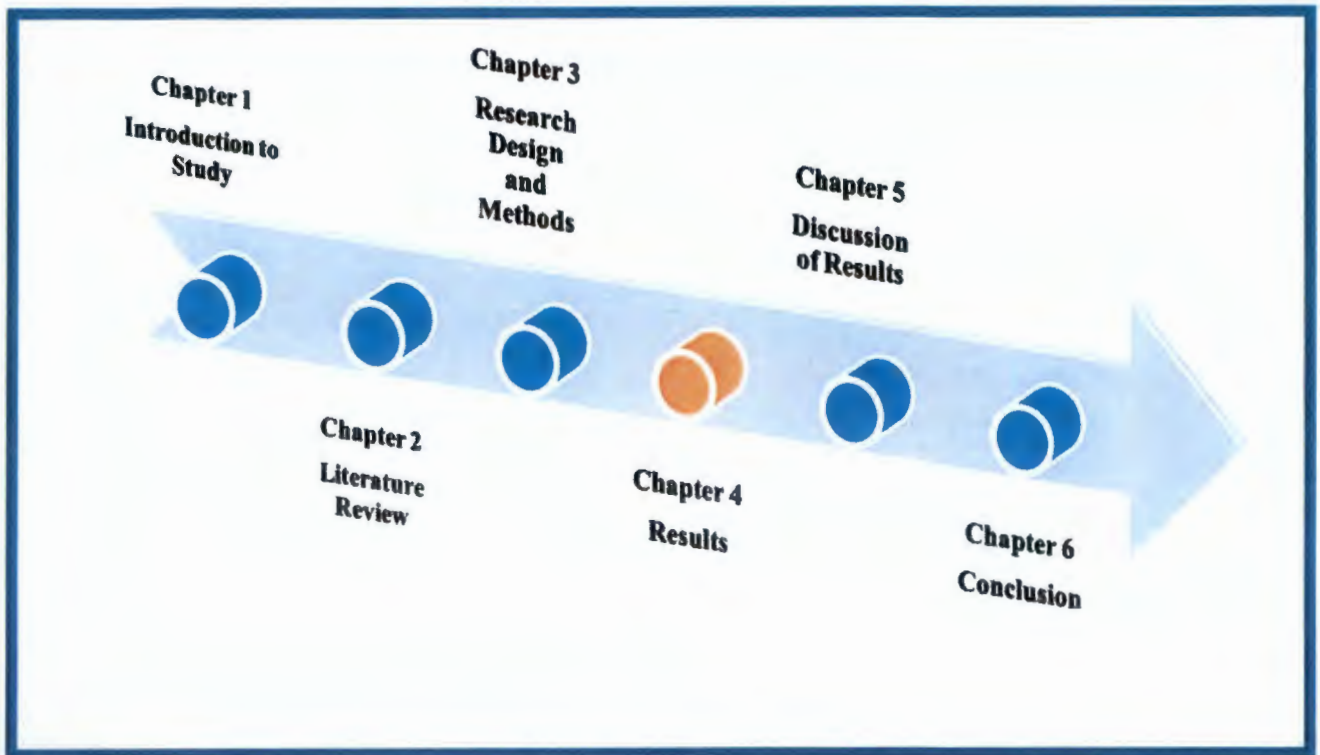


Figure 4-1: Chapter 4 in Context

This chapter presents the results obtained from the data analysis done by means of SPSS as per the research design and methodology discussed in Chapter 3. This chapter includes all results obtained from the empirical statistical tests run on the data with regards to the objectives set for the study together with the applicable hypotheses.

This chapter is structured in three distinct phases as follows:

- **Phase 1:** The presentation of the sample demographics and descriptive

- **Phase 2:** Analysis of the data measurement instruments, Talent Management, Job Satisfaction and Employee Job Performance.
- **Phase 3:** Hypothesis testing

In what follows next, the demographic characteristics of the sample is presented as phase one of data analysis.

4.2 PHASE 1: SAMPLE DEMOGRAPHICS

The following section shows the demographics of the sample group used in this study with regards to the biographical information supplied by the respondents. All job levels were identified as the units of analysis for this study. The specific characteristics and attributes of the units of analysis that were collected through primary data collection are firstly the functions managers work for (e.g. Human Resources, Supply Chain Management, Finance, Safety, Health, Environment, Community (SHEC), Technology, etc.) and then their department within the specific function (Payroll, Creditors, Health, Procurement, etc.). By stating one of these, the researcher was able to determine the way each unit perceives Talent Management and the way each function had the highest levels of job satisfaction, employee performance and which department in that function has the highest level. Unfortunately many employees did not fill in these fields and as a result this biographical information was left out of the data analysis part.

The sampling techniques utilised in the study resulted in a diverse group of respondents. Five hundred and forty eight (548) questionnaires were sent out in a government department. Three hundred and forty (340) responses were originally received, a 62% response rate, two hundred and nine were useable (209), giving a final response rate of 38.1% and 339 questionnaires were spoilt to due to inaccurate filling of questionnaires. The following section provides more insight into the biographical composition of the sample group.

Table 4-1: Frequency Distribution for Gender

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	83	39.7	39.9	39.9
Valid	Females	125	59.8	60.1	100.0
	Total	208	99.5	100.0	
Missing	System	1	.5		
Total		209	100.0		

According to Table 4-1, the majority of the respondents in this study were females (59.8%) while males represented only 39.7% of the respondents.

Table 4-2: Frequency Distribution for Marital Status

Marital Status		Frequency	Percent	Valid Percent	Cumulative Percent
	Single	93	44.5	45.1	45.1
	Engage/In a Relationship	20	9.6	9.7	54.9
Valid	Married	83	39.7	40.3	95.1
	Divorced	7	3.3	3.4	98.5
	Separated	3	1.4	1.5	100.0
	Total	206	98.6	100.0	
Missing	System	3	1.4		
Total		209	100.0		

Table 4-2, showed that 44.5% of the respondents' were single, while a close inspection of the table shows that 39.7% were married and 9.6% were either in a relationship or engaged to be married. However a close inspection of table: 4-2 revealed that 3.3% were divorced and 1.4% was separated.

Table 4-3: Frequency Distribution of Home Language

Ethnic Group		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Afrikaans	27	12.9	13.0	13.0
	English	26	12.4	12.5	25.5
	Indigenous	155	74.2	74.5	100.0
	Total	208	99.5	100.0	
Missing	System	1	.5		
Total		209	100.0		

Table 4-3 showed that the majority (74.2%) of the respondents speak indigenous languages as their home language. For the rest of the respondents, 12.9% were English speaking and 12.4% were Afrikaans speaking people.

Table 4-4: Frequency Distribution for Ethnicity

Languages		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	African	164	78.5	78.5	78.5
	Coloured	13	6.2	6.2	84.7
	Indian	3	1.4	1.4	86.1
	White	23	11.0	11.0	97.1
	Other	6	2.9	2.9	100.0
	Total	209	100.0	100.0	

Table 4-4, shows the various ethnicities that were represented by respondents in the present study. The largest proportions of respondents were of African origin (78.5%) whereas the vast minority of the respondents were of Whites (11.0%), Coloureds and Indians (6.2%) descent followed by Indians (2.9%).

Table 4-5: Frequency Distribution of Age

Age	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-29	44	21.1	21.1	21.1
30-39	91	43.5	43.5	64.6
40-49	51	24.4	24.4	89.0
50-59	21	10.0	10.0	99.0
60 and above	2	1.0	1.0	100.0
Total	209	100.0	100.0	

Table 4-5 indicated that 43.5% of the respondents in this study were aged between 30-39 years old. This was followed by 24.4% of the respondents being between the ages of 40 years and 49 years old. The results further showed that 21.1% of the respondents were between the ages of 20 and 29 years, with the minority of the respondents between the ages of 50-59 years (10.0%) and 60 years and above (1.0%).

Table 4-6: Frequency Distribution of Highest Qualifications

Qualification level	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Year 12/Matric	27	12.9	13.2	13.2
Certificate	31	14.8	15.1	28.3
Diploma	71	34.0	34.6	62.9
Advanced Diploma	42	20.1	20.5	83.4
Bachelor's degree	29	13.9	14.1	97.6
Masters degree	5	2.4	2.4	100.0
Total	205	98.1	100.0	
Missing System	4	1.9		
Total	209	100.0		

Table 4-6 indicates that 34.0% of employees in the organisation have obtained a Diploma as their highest level of qualification. This is followed by 20.1% of the employees having obtained an Advanced Diploma and 14.8% had Certificates in different fields of study. The minority of the respondents were in possession of a Bachelor's degree (13.9%); Matriculated (12.9%) and Masters' Degree (2.4%) as their highest level of educational qualification.

Table 4-7: Frequency Distribution of Basis of Employment

Job Levels		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Permanent	208	99.5	99.5	99.5
	Temporary	1	.5	.5	100.0
	Total	209	100.0	100.0	

Biographical information in terms of basis of employment of the respondents showed that 99.5% were employed as permanent employees. Furthermore Table 4-7 indicated that 0.5% (18) of the respondents was employed on temporary basis.

Table 4-8: Frequency Distribution of Job Levels

Years of Work Experience		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Senior Management	5	2.4	2.4	2.4
	Middle Management	48	23.0	23.2	25.6
	Junior Management	60	28.7	29.0	54.6
	Subordinates	94	45.0	45.4	100.0
	Total	207	99.0	100.0	
Missing	System	2	1.0		
Total		209	100.0		

Table 4-8 shows the job levels of all respondents to this study. The majority of the respondents indicated that they were employed in operational job levels (45%). Furthermore 60 (28.7%) of the respondents were junior managers and 23.0% were employed in middle management positions. Only 2.4% of the respondents held senior management positions.

Table 4-9: Frequency Distribution of the Number of Years of Service

Years of Service	Frequency	Percent	Valid Percent	Cumulative Percent
0 – 5 years	73	34.9	34.9	34.9
6 – 10 years	57	27.3	27.3	62.2
Valid 11 – 15 years	24	11.5	11.5	73.7
16 years and above	55	26.3	26.3	100.0
Total	209	100.0	100.0	

The biographical information also took into consideration the number of years work experience the respondents had. The majority of the respondents (34.9%) had 0 to 5 years work experience. This was followed by 27.3% respondents who had 6 to 10 years work experience. In addition 26.3% of the respondents had 16 years and above years work experience and to lesser extent 11.5% of the respondents have work experience of 11 to 15 years.

Table 4-10: Frequency Distribution of the Number of Years of Work Experience

Chances of Promotion	Frequency	Percent	Valid Percent	Cumulative Percent
0 – 5 years	142	67.9	67.9	67.9
6 -10 years	40	19.1	19.1	87.1
Valid 11 – 15 years	10	4.8	4.8	91.9
16 years and above	17	8.1	8.1	100.0
Total	209	100.0	100.0	

Biographical data on number of years of service on current job shows that over 67.9% of the respondents had been working for a period of 0 to 5 years. Furthermore, table 4-9 illustrates that 19.1% of the respondents had 6 to 10 years of services in the current job. A closer inspection showed that 8.1% had over 16 years and above in their current job while only 4.8% had spent 11 to 15 years in their current job.

Table 4-11: Frequency Distribution of chances of Promotion

Basis of Employment	Frequency	Percent	Valid Percent	Cumulative Percent
1	119	56.9	56.9	56.9
2	8	3.8	3.8	60.8
3	1	.5	.5	61.2
4	79	37.8	37.8	99.0
5	2	1.0	1.0	100.0
Total	209	100.0	100.0	

Table 4-11 above, showed that 56.9% of the respondents had 1 chance of promotion over the last five years. Furthermore Table 4-11, showed that 37.8% of the respondents had 4 chances of promotion for the past five years. 1.0% of the respondents had got five chances of promotion while 0.5% of the respondents had 3 chances of getting promoted within the organisation over the past five years.

Table 4-12: Frequency Distribution of the Hours Worked Per Week

Hours of Work Per Week		Frequency	Percent	Valid Percent	Cumulative Percent
	Up to 10	19	9.1	9.1	9.1
	11 – 20	5	2.4	2.4	11.5
	21 – 30	1	.5	.5	12.0
Valid	31 – 40	77	36.8	37.0	49.0
	41 – 50	92	44.0	44.2	93.3
	51 or more	14	6.7	6.7	100.0
	Total	208	99.5	100.0	
Missing	System	1	.5		
Total		209	100.0		

The biographical information also considered the number of hours the respondents worked per week. Figure 4-12 indicated that 92 (44.0%) of the respondents worked between 41 to 50 hours per week. Furthermore, 36.8% of the respondents worked between 31 to 40 hours per week. Additionally 9.1% of the respondents worked up to 10 hours per week while 6.7% of the respondents worked for 51 hours or more per week with 2.4% and 0.5% working between 11 to 20 hours and 21 to 30 hours per week respectively.

**Table 4-13: Frequency Distribution of the Daily Hours Spent Travelling to and from Work**

Hours Spent Travelling To Work		Frequency	Percent	Valid Percent	Cumulative Percent
	Less than 1	122	58.4	58.7	58.7
Valid	1 – 2	67	32.1	32.2	90.9
	3 or more	19	9.1	9.1	100.0
	Total	208	99.5	100.0	
Missing	System	1	.5		
Total		209	100.0		

Additional to the number of hours worked per week the biographical information also focused on the time it takes the respondents to travel to and from work. Over 58.4% of the participants stated that it takes them less than an hour to travel to and from work per day. 32.1% indicated that they travel between one (1) to two (2) hours a day, while 9.1% participants revealed that they travel three to four hours to and from work.

Table 4-14: The Frequency Distribution of Full Annual Leave Entitlement Used

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Never	12	9.4	9.4	9.4
Sometimes	44	34.6	34.6	44.1
Always	71	55.9	55.9	100.0
Total	127	100.0	100.0	

The final biographical question enquired about the participants annual leave entitlement. The majority of the respondents, 55.9%, mentioned that they always take their full leave. However a closer inspection of table 4-14 shows that 34.6% of the respondents do take leave but only sometimes. A closer analysis of Table 4-14, indicates that 9.4% of the respondents never take leave even though they are entitled to it.

4.3 PHASE 2: RESULTS PERTAINING TO THE INSTRUMENTS

Following is the presentation on the demographics of the sample used in this research study presented as phase two, which will discuss the results pertaining to the data collection instruments. The following section will present the results obtained from the measuring instruments. The measures are an adapted version of Human Capital Institute Assessment of nine Talent Management Practices, the Minnesota Job Satisfaction Scale (JSS) and the Job Performance scale. Each measure is discussed in terms of its adequacy for analysis, factor analyses, reliability and descriptive statistics.

4.3.1 Results of the Human Capital Index

The emphasis of this section is placed on the statistical analysis of the Talent Management Index (TMI) data to determine the level of talent management practices within the organisation. This is also used to determine the reliability of the instrument and data received from using the instrument. To achieve this outcome the following statistical techniques were implemented:

4.3.1.1 Sample Adequacy and Sphericity

The Sampling Adequacy and Sphericity of the inter-item correlation matrix was determined by applying the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity to the inter-item correlation matrix of the TMI. The results of the KMO for the TMI are presented in table 4-15 below.

Table 4-15: KMO and Bartlett's test of inter-item correlation

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.914
	Approx. Chi-Square	3736.620
Bartlett's Test of Sphericity	Df	630
	Sig.	0.000

Table 4-15 above shows the Kaiser-Meyer-Olkin (KMO) and Bartlett's Test. According to Hair et al (2010), a KMO measure of 0.6 or above is considered acceptable for factor analysis. These authors further states that the Bartlett's Test of Sphericity should be significant ($p \leq 0.05$). Table 4-15 above showed the KMO measure is 0.914. From the same table, it is evident that the Bartlett's test of Sphericity is significant. Based on the results in Table4-15 factor analyses can now be applied to the Human Capital Index.

4.3.1.2 Factor Analysis

Exploratory factor analyses using Principle Component Analyses was conducted on the 36 items of the Human Capital Index. The initial results showed that eight factors can be specified. However,

closed inspection of the component matrix showed that all the items loaded onto one factor. Exploratory factor analyses using Principle Component Analyses was conducted again on the HCI this time specifying one factor. The factor was labelled Talent Management Practices and explained 35.260 % of the variance. The results also showed acceptable loadings for each of the items. The results of the final factor analysis as well as the item loadings are reported in Tables 4-16 and Table 4-17 below.

Table 4-16: Total Variance Explained for HCI

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	12.693	35.260	35.260	12.693	35.260	35.260
2	2.292	6.368	41.627			
3	1.800	4.999	46.626			
4	1.417	3.937	50.563			
5	1.389	3.858	54.421			
6	1.260	3.499	57.920			
7	1.121	3.114	61.034			
8	1.072	2.979	64.013			
9	.936	2.599	66.612			
10	.863	2.398	69.011			
11	.823	2.286	71.297			
12	.770	2.139	73.436			
13	.735	2.041	75.476			
14	.705	1.957	77.433			
15	.671	1.865	79.298			
16	.601	1.668	80.966			
17	.585	1.624	82.591			
18	.562	1.560	84.151			
19	.509	1.415	85.566			
20	.495	1.374	86.940			
21	.486	1.349	88.289			
22	.411	1.142	89.431			
23	.397	1.103	90.533			

24	.376	1.045	91.579		
25	.356	.990	92.568		
26	.349	.971	93.539		
27	.326	.904	94.443		
28	.312	.866	95.309		
29	.289	.802	96.112		
30	.268	.745	96.856		
31	.251	.696	97.553		
32	.217	.604	98.157		
33	.204	.566	98.723		
34	.180	.500	99.223		
35	.160	.444	99.667		
36	.120	.333	100.000		

Extraction Method: Principal Component Analysis.



Table 4-16: Component Matrix^a for HCI

	Component		Component
	Talent Management		Talent Management
HCI 1	.648	HCI 19	.666
HCI 2	.742	HCI 20	.619
HCI 3	.721	HCI 21	.632
HCI 4	.663	HCI 22	.653
HCI 5	.693	HCI 23	.577
HCI 6	.591	HCI 24	.752
HCI 7	.636	HCI 25	.536
HCI 8	.681	HCI 26	.492
HCI 9	.648	HCI 27	.499
HCI 10	.742	HCI 28	.217
HCI 11	.721	HCI 29	.439
HCI 12	.663	HCI 30	.450
HCI 13	.693	HCI 31	.482
HCI 14	.591	HCI 32	.480
HCI 15	.636	HCI 33	.704
HCI 16	.681	HCI 34	.547
HCI 17	.648	HCI 35	.547
HCI 18	.742	HCI 36	.580

4.3.1.3 Descriptive Statistics and Reliabilities Talent of Management

Descriptive statistics were used to explore the data. Figure 4-18 below, provides the descriptive statistics of the Talent Management Index (TMI) once the items have been grouped together after the Factor Analysis was conducted.

A five-point response scale ranging from “Poor” to “Excellent” was utilised. The mean values for the respondents ranged between 2.3671 and 2.9891. This indicates that respondents tended to have answers which fell toward the middle of the range. This means that the respondents perceive that Talent Management Practices within the organisation are currently only fairly to averagely applied.

Table 4-17: Descriptive Statistics for HCI

	Mean	Std. Deviation	Skewness	Kurtosis	Cronbach's Alpha
	Statistic	Statistic	Statistic	Statistic	Std. Error
Talent Management	2.7574	.66774	.037	.142	0.945
Sub-scales					
Management Commitment	2.5292	.99863	.319	-.622	0.904
Talent Review Process	2.6020	.90683	.097	-.385	0.835
Workforce Planning	2.7233	.84631	.069	-.084	0.815
Staffing	2.9411	.78548	-.304	-.265	0.614
Talent Acquisition	2.9891	.79870	-.158	-.156	0.695
Talent Commitment	3.2849	.79570	-.464	.325	0.699
Talent Development	2.7866	.91579	.084	-.552	0.806
Talent Retention	2.3671	.89557	.431	-.252	0.756
Valid N (listwise)					

Table 4-18 provides an overview of the number of valid cases ($N=209$) per group for each of the 8 grouped talent management practices, measures of central tendency and dispersion. The sample group consists of a total of 209 respondents.

Standard deviation values for the group range between 0.79570 and 0.99863, indicating a relatively small degree of dispersion. The skewness values for the group range between -.464 and 0.431, indicating a positively skewed distribution. The kurtosis values for the range are between -0.622 and 0.325. The overall scale for Talent Management shows excellent reliability with a Cronbach's Alpha of 0.945.

The Cronbach's Alpha Coefficients for the Talent Management sub-scales ranged from 0.614 for Staffing to 0.904 for Management commitment which indicates an acceptable to an excellent reliability for the sub-scales (Field, 2009)

4.3.1.4 Current Application versus Importance of Talent Management Practices

Next an analysis was done to determine whether a gap exists between the employees current perception of the application of Talent Management Practices in comparison to the importance they attach to the respective Talent Management Practices. The results are reported in Table 4-19 and Graph 4-1 below.

Table 4-18: Gap Analyses: Current Application versus Importance of Talent Management Practices

Talent Management Dimensions	Current	Important	Gap
Management Commitment	2.5292	3.5362	-1.0070
Talent Review Process	2.6020	3.5473	-0.9454
Workforce Planning	2.7233	3.6136	-0.8903
Staffing	2.9411	3.7428	-0.8016
Talent Acquisition	2.9891	3.7041	-0.7150
Talent Commitment	3.2849	3.8116	-0.5267
Talent Development	2.7866	3.7125	-0.9259
Talent Retention	2.3671	3.6232	-1.2560

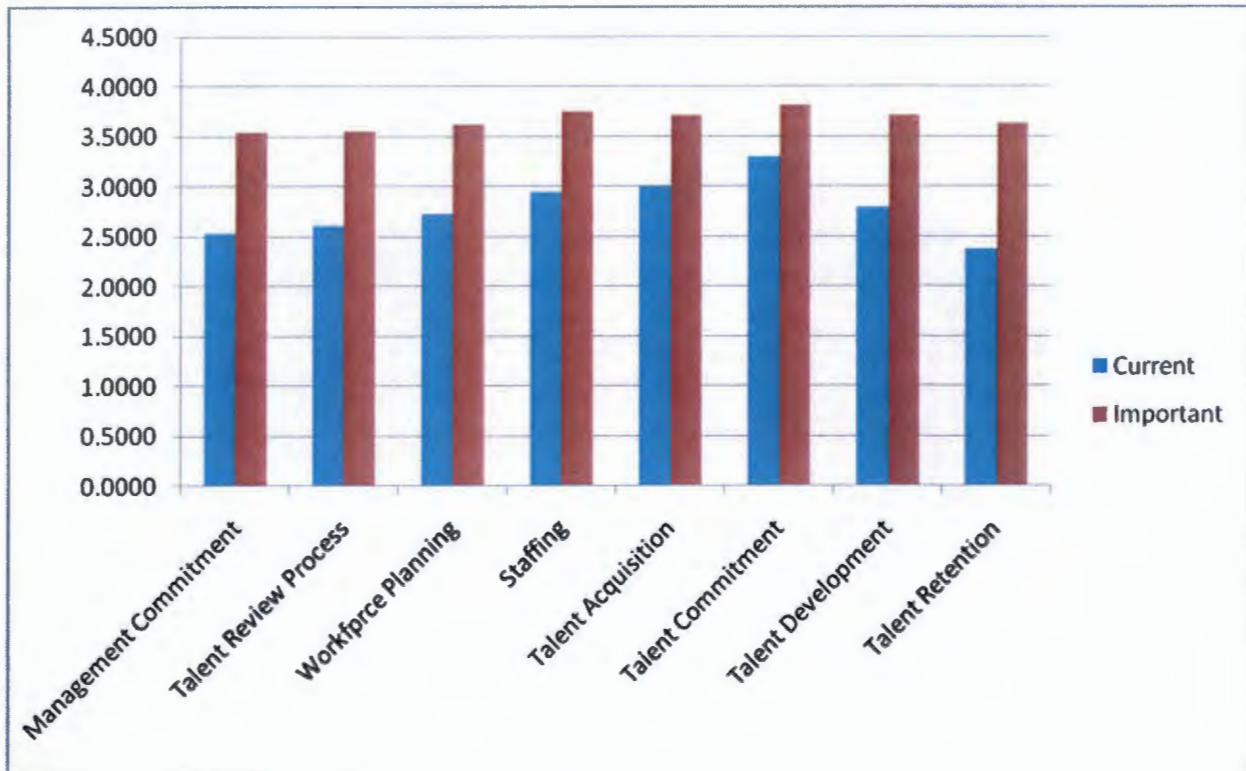


Figure 4-2: Gap Analysis – Current versus Importance of Talent Management Practices

The results showed that on average the respondents indicated that all the Talent Management Practices are important. It is also evident from the results that large gaps exist between the respondents' perceptions of the current application of Talent Management Practices compared to the importance thereof. The largest gaps were observed between Talent Retention Practices, Management Commitment and Talent Review Process.

4.3.1.5 Summary of Results

To conclude the information presented in the preceding section (section 4.3), the results of the statistical analysis of the TMP can be summarised as follows:

- The KMO of the Sampling Adequacy and Sphericity inter-item correlation was at a high level and there was a significant correlation between the items according to the Bartlett's test.
- The Principal Component Analysis (PCA) was run and there were eight main factors. The Direct Oblimin Rotation broke the 8 factors to one main factor which had 35.260% of the cumulative variances.
- The overall value of Cronbach's Alpha indicates an excellent level of reliability for the Talent Management Practices.
- And the reliability statistics for all the sub-scales were good and reliable.
- All Talent Management Practices were viewed as highly important as perceived by the respondents
- The results indicate that there was a large gap between the current application of Talent Management Practices and level of importance with regards to Talent Management Practices.
- The largest gaps between current applications were observed between Talent Retention Practices, Management Commitment and Talent Review Process.

4.3.2 Results for Job Satisfaction

The emphasis of this section is placed on the statistical analysis of the Job Satisfaction data to determine if there is job satisfaction within the national department. This is also used to determine the reliability of the instrument and data received from using the instrument. To achieve this outcome the following statistical techniques were employed: The Keyser-Meyer Olkin Measure of Sampling

Adequacy and Bartlett's Test of Sphericity; Principal Component Analysis and Reliability Analysis of the components based on the questionnaire

4.3.2.1 Sample Adequacy and Sphericity

The Sampling Adequacy and Sphericity of the inter-item correlation matrix was determined by applying the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity to the inter-item correlation matrix of Job Satisfaction Index (JSI). The results of the KMO for the DME are presented in Table 4-20 below.

Table 4-19: KMO and Bartlett's test for inter-item correlation

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.845
Bartlett's Test of Sphericity	Approx. Chi-Square	865.092
	Df	105
	Sig.	.000

As indicated in Table 4-20 above, the KMO measure verified the sampling adequacy for factor analysis, since the value of KMO is 0.845 which is above the 0.6 cut off point set by Pallant (2005) and Hair *et al.*, (2010). Bartlett's Test of Sphericity was significant ($p < 0.05$), indicating correlations between items were sufficiently large for a factor analysis.

4.3.2.2 Factor Analysis

A Principal Component Analysis using the principal component analysis extraction method was performed on the 15 items of job satisfaction. The Principal Component Analysis initially resulted in five factors. However a closer inspection of the factor matrix indicated the items primarily loaded onto four factors. The four factors explained 34.458% of the variance. The results of the factor analysis as well as the Component Matrix are shown below in Table 4-21 and Table 4-22. The item loadings are acceptable.

Table 4-20: Total Variance Explained for JSI

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.824	34.458	34.458	4.824	34.458	34.458
2	1.463	10.448	44.906			
3	1.082	7.728	52.634			
4	.935	6.681	59.315			
5	.896	6.400	65.715			
6	.758	5.415	71.129			
7	.679	4.850	75.979			
8	.631	4.509	80.488			
9	.579	4.136	84.624			
10	.519	3.708	88.332			
11	.489	3.493	91.825			
12	.417	2.982	94.807			
13	.404	2.882	97.689			
14	.323	2.311	100.000			

Extraction Method: Principal Component Analysis.

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Table 4-21: Component Matrix for JSI

	Component
	Job Satisfaction
Working Conditions	.627
Activity	.525
Ability	.534
Variety	.488
Status	.634
Supervision	.633
Authority	.594
Policies	.655
Compensation	.468
Recognition	.616
Achievement	.670
Advancement	.525
Responsibility	.639
Security	.561

Extraction Method: Principal Component Analysis.

4.3.2.3 Descriptive Statistics and Reliabilities of Job Satisfaction (JS)

Descriptive statistics were used to explore the data. Table 4-23 below provides the item descriptive statistics of the JS once the items had been grouped together before the factor analysis was conducted.

Table 4-22: Descriptive Statistics for JSI Scale

	Mean	Std. Deviation	Skewness	Kurtosis	Cronbach's Alpha
	Statistic	Statistic	Statistic	Statistic	Statistics
Job Satisfaction Valid N (listwise)	3.1147	.65152	-.217	.191	0.851

Table 4-23 provides an overview of the number of valid cases (N) per group for each of the 15 grouped items, measures of central tendency and dispersion. The sample group consists of a total of 209 respondents.

A five-point response scale ranging from “Strongly Disagree” to “Strongly Agree” was utilised. The mean value for the respondents was 3.1147. This indicates that respondents tended to have answers which fell between just above the middle of the range.

Standard Deviation values for ranged at 0.65152 indicating a small degree of dispersion. The skewness values for the group range at -.217, indicating a high negatively skewed distribution. The kurtosis value for the range is 0.191. The overall Cronbach's Alpha Coefficients is 0.851 for Job Satisfaction which states that it has a high overall level of reliability (George and Mallery, 2003).

4.3.2.4 Summary of Results

To conclude the information presented in the preceding section (section 4.3), the results of the statistical analysis of the JSI can be summarised as follows:

- The KMO of the Sampling Adequacy and Sphericity inter-item correlation was at a superb level at 0.845 and there was a significant correlation between the items according to the Bartlett's test.

- The principal component analysis was run and it was determined according to the Principal Component Analysis Extraction method that there were four main components. The four main factors had 57.104% of the cumulative variances.
- This required a Second Order Factor Analysis to be run. The four components were loaded onto one component.
- The overall value of Cronbach’s Alpha indicates a good level of reliability for Job Satisfaction.
- And the reliability statistics for all the sub-scales were between acceptable limits

4.3.3 Results of Job Performance

The emphasis of this section is placed on the statistical analysis of the Job Performance Scale (PMS) data to determine if there is performance management in the national department. This is also used to determine the reliability of the instrument and data received from using the instrument. To achieve this outcome the following statistical techniques were employed: The Keyser-Meyer Olkin Measure of Sampling Adequacy and Bartlett’s Test of Sphericity; Principal Component Factor Analysis; and the Reliability Analysis of the whole data received from the questionnaire.

4.3.3.1 Sample Adequacy and Sphericity

The Sampling Adequacy and Sphericity of the inter-item correlation matrix was determined by applying the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett’s Test of Sphericity to the inter-item correlation matrix of the Job Performance. The results of the KMO for the Job Performance are presented in Table 4-24 below.

Table 4-23: KMO and Bartlett’s test for inter-item correlation

Kaiser-Meyer-Olkin Measure of Sampling Adequacy				.877
Bartlett's Sphericity	Test	of	Approx. Chi-Square	708.667
			Df	21
			Sig.	.000

As evidenced in Table 4-24 above, the KMO measure verified the sampling adequacy for factor analysis, since the value of KMO is 0.877 which is above the 0.6 cut off point set by Pallant (2005). It can be seen to be a great inter-item correlation. Bartlett's Test of Sphericity was significant ($p < 0.05$), indicating correlations between items that were sufficiently large for a factor analysis. Thus the sample is suitable for further analysis by means of factor analysis.

4.3.3.2 Factor Analysis

A principal component analysis was conducted on the 7 items of the Job Performance using the Principal Component Analysis extraction method. From the initial results it was clear that only one component could be specified for Job Performance. The one component explains 58.430% of the variance. The results of the factor analysis as well as the Component Matrix are shown below in Table 4-25 and Table 4-26. The item loadings are acceptable for the one component of Job Performance.

Table 4-24: Total Variance for Job Performance

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.090	58.430	58.430	4.090	58.430	58.430
2	.852	12.172	70.602			
3	.665	9.493	80.095			
4	.459	6.560	86.655			
5	.366	5.224	91.879			
6	.320	4.577	96.456			
7	.248	3.544	100.000			

Extraction Method: Principal Component Analysis.

Table 4-25: Component Matrix for Job Performance

	Component
	1
PM 3	0.716
PM 4	0.781
PM 5	0.800
PM 6	0.594
PM 7	0.759
PM 8	0.862
PM 9	0.808

Extraction Method: Principal Component Analysis.

4.3.3.3 Descriptive Statistics and Reliability of Job Performance

Descriptive statistics were used to explore the data. Figure 4-25 below provides the item descriptive statistics of job performance once the items have been grouped together before the Factor Analysis was conducted. Table 4-27 provides an overview of the number of valid cases (N) per group for the 1 grouped items, with the measure of central tendency and dispersion. The sample group consists of a total of 141 respondents.



Table 4-26: Descriptive Statistics and Reliability of Job Performance

	N	Mean	Std. Deviation	Skewness	Kurtosis	Cronbach's Alpha
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistics
Performance	208	3.0185	.91336	-.007	-.372	0.878
Valid N (listwise)	208					

A five-point response scale ranging from “Strongly Disagree” to “Strongly Agree” was utilised. The mean value for the respondents was 3.0185. This indicates that respondents’ answers tended to fall toward the top of the answer range. This suggests many agreed with the statements and experience a low level of job performance.

Standard Deviation values for group was 0.91336., indicating a small degree of dispersion. The skewness value for the group was -0.007, indicating a negatively skewed distribution. The kurtosis value was -0.372.

The Cronbach’s Alpha Coefficient for Retention is 0.878 which suggests that the overall value is at a good level of reliability, therefore it can be said that job performance is at a good level of reliability.

4.3.3.4 Summary of Results

To conclude the information presented in the preceding section (section 4.3), the results of the statistical analysis of the job performance can be summarised as follows:

- The KMO of the Sampling Adequacy and Sphericity inter-item correlation was at a good level and there was a significant correlation between the items according to the Bartlett’s test.
- The principal component analysis was run using principal component analysis extraction method; there was one main component. Main component had 58.430% of the cumulative variances.
- The overall value of Cronbach’s Alpha indicates an excellent level of reliability for Job Performance.

4.4 PHASE 3: TESTING OF HYPOTHESES

For the purposes of this research study four hypotheses were formulated. The statistical tests run for these hypotheses are briefly discussed below:

4.4.1 Hypothesis 1

H₁: Talent Management has a positive effect on Job Satisfaction

A simple linear regression analysis was conducted on collected data to assess whether there is an existing relationship between Talent Management and Job Satisfaction. The results of the regression analysis are presented in Table 4-28.

Table 4-27: Regression Analyses between Talent Management and Job Satisfaction

Model	Un-standardised		Standardised	t	P(Sig)	R	R ²	ΔR ²
	Coefficients		Coefficients					
	B	SE	Beta					
Talent Management and Job Satisfaction						.402 ^a	.161	.157
(Constant)	2.010	0.184		10.899	.000			
Talent Management	0.398	0.065	0.402	6.123	.000			

It can be determined from Table 4-28 above, Talent Management is a significant predictor of Job Satisfaction (r ($df = 209$; $p \leq .005$) = .402, Medium effect). The results also showed that there is a positive relationship between Talent Management and Job Satisfaction ($p=0.000$, small effect) and the results showed that there is a significant relationship between Talent Management and Job Satisfaction

4.4.2 Hypothesis 2

H₂: Talent Management has a positive effect on Job Performance

A simple linear regression analysis was conducted on collected data to assess whether there is an existing relationship between Talent Management and Job Performance. The results of the regression analysis are presented in Table 4-29.

Table 4-28: Regression Analyses between Talent Management and Job Performance

Model	Un-standardised		Standardised	t	P(Sig)	R	R ²	ΔR ²
	Coefficients		Coefficients					
	B	SE	Beta					
Talent Management and Job Performance						.165 ^a	.027	.022
(Constant)	2.413	.274		8.807	.000			
Talent Management	.227	.097	.165	2.349	.020			

It can be determined from Table 4-29 above, Talent Management is a significant predictor of the Performance ($r_{(df = 209; p \leq .005)} = .165$, small effect). The Results also showed that there is a positive relationship Talent Management and Performance ($p=0.020$, small effect). The results showed that there is a significant relationship between Talent Management and Performance.

4.4.3 Hypothesis 3

H 3: Job Satisfaction has a positive effect on Job Performance

A simple linear regression analysis was conducted on collected data to assess whether there is an existing relationship between Talent Management and Job Performance. The results of the regression analysis are presented in Table 4-30.

Table 4-29: Regression Analyses between Job Satisfaction and Job Performance

Model	Un-standardised		Standardised	T	P(Sig)	R	R ²	ΔR ²
	Coefficients		Coefficients					
	B	SE	Beta					
Job Satisfaction and Job Performance						.228 ^a	.052	.047
(Constant)	2.025	.304		6.669	.000			
Job Satisfaction	.319	.095	.228	3.348	.001			

It can be determined from Table 4-28 above, Job Satisfaction is a significant predictor of the Performance ($r_{(df = 209; p \leq .005)} = .228$, small effect). The Results also showed that there is a positive relationship between Job Satisfaction and Performance Management ($p=0.001$, small effect). The

results showed that there is a significant relationship between Job Satisfaction and Performance Management.

4.4.4 Hypothesis 4

H₄: Job Satisfaction mediates the relationship between Talent Management and Job Performance.

A multiple regression analysis was conducted on collected data to assess whether Talent Management mediates a relationship between Job Satisfaction and Job Performance. The results of the regression analysis are presented in Table 4-31.

Table 4-30: Regression Analyses between TM, JS and PM

Model		Unstandardized		Standardized	<i>t</i>	<i>p</i>	<i>R</i>	<i>R</i> ²	ΔR^2
		Coefficients	Coefficients	Coefficients					
		B	SE	Beta					
Talent Management and Job Performance									
1	Summary						.165	.027	.022
	(Constant)	2.413	.274		8.807	.000			
	TMP	.227	.097	.165	2.349	.020			
Talent Management and Job Satisfaction									
2	Summary						.256	.066	.056
	(Constant)	1.821	.0343		5.315	.000			
	TMP	.108	.104	.079	1.042	.299			
	Job Satisfaction	.296	.105	.214	2.824	.005			
Talent Management (TMP), Job Satisfaction and Job Performance									
3	Summary						.260	.068	.053
	(Constant)	2.409	.944		2.551	.012			
	TMP	-.117	.353	-.085	-.331	.741			
	Job Satisfaction	.105	.304	.076	.346	.729			
	Performance	.072	.107	.257	.668	.505			

Standard multiple regression was performed to determine the relationship between TMP, Job Satisfaction and Performance Management. It is evident that perceived TMP explains 2.7% of the variance in Job Satisfaction. TMP and Job Satisfaction combined explain 6.6% of the variance in Job Satisfaction. TMP and Job Satisfaction, Job Performance combined explain 6.8% of the variance in Job Performance.

However, adding the interaction of TMP, Job Satisfaction and Job Performance in the multiple regression analyses did not result in a significant increase in the explained percentage of variance in Talent Management. One can therefore conclude that Job Satisfaction does not mediate/moderate the relationship between Talent Management Practices and Job Satisfaction and Job Performance.

4.5 SUMMARY OF RESULTS

To conclude the information presented in the preceding section, the results of the statistical analysis of the relationship between Talent Management, Job Satisfaction and Job Performance.

- There is a statistically significant relationship between the Talent Management and Job Satisfaction, based on the results of a Multiple Regression analysis.
- Talent Management is a statistically significant predictor of Job Satisfaction based on the results of a Multiple Regression analysis.
- Based on the results of a Simple Linear Regression analysis there is a statistically significant relationship between Talent Management and Job Performance.
- Talent Management is a statistically significant predictor of Job Performance Management, which was determined from the results of a Simple Linear Regression analysis.
- According to the results of a Simple Linear Regression analysis it has been determined that there is a statistically significant inversely proportional relationship between Talent Management and Job Performance, thus the more any organisational focuses on talent management and applies its principles and practices the more the job performance will increase.

- Based on the Multiple Regression analysis conducted it was determined that Job Satisfaction was not a statistically significant mediator for the relationship between Job Satisfaction, Talent Management, and Job Performance.

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Chapter 5:DISCUSSION OF RESULTS

5.1 INTRODUCTION

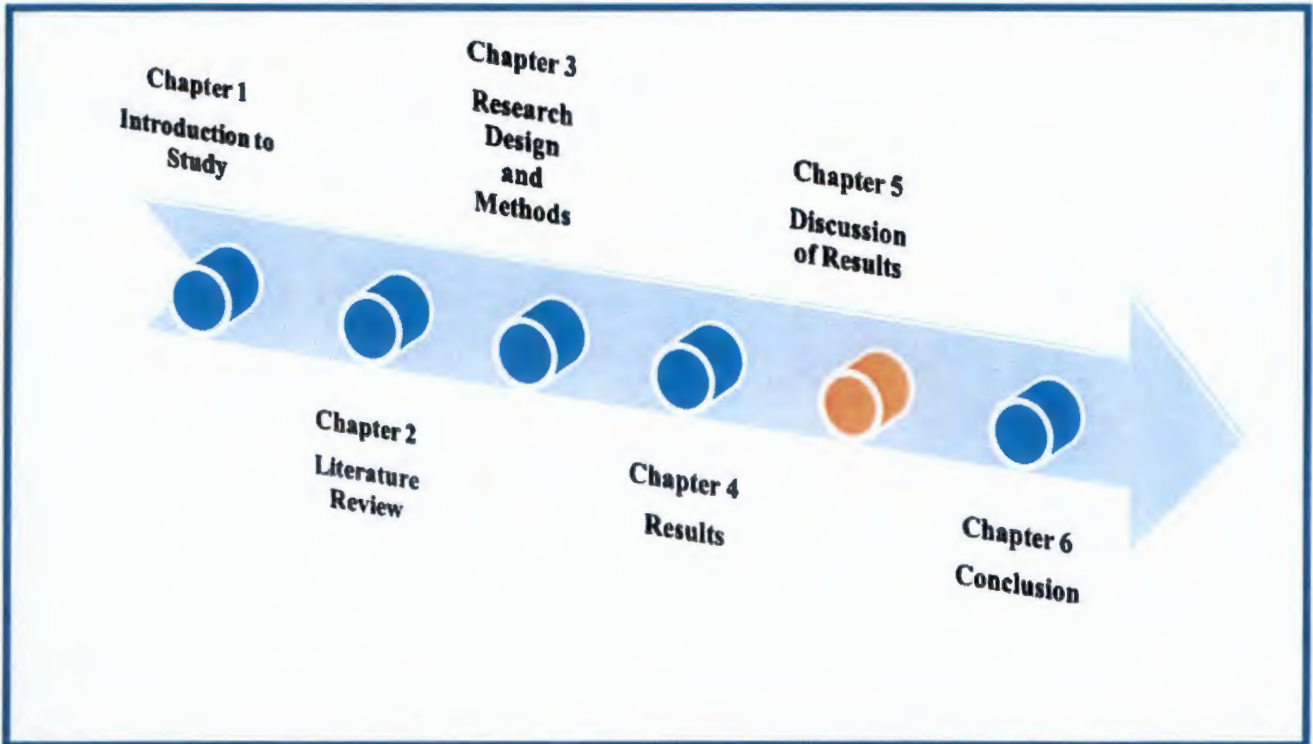


Figure 5-1: Chapter 5 in Context

This chapter focuses on discussing and interpreting the results of the statistical procedures presented in Chapter 4. The main results of this study are then outlined and discussed in relation to the research questions. The results are then supported by the existing literature concerning Talent Management, Job Satisfaction and Job Performance. For purposes of this study the following research questions were discussed:

- How do employees perceive the current level of Talent Management Practices in the organisation?
- What is the level of importance of Talent Management Practices as perceived by the employees?

- To what extent is there a gap between the current level of Talent Management practices and the importance thereof as perceived by the employees?
- What is the relationship between Talent Management Practices and employees' Job Satisfaction in the organisation?
- What is the relationship between Talent Management Practices and Employees' Job Performance in the organisation?
- What is the relationship between the Employees' Job Satisfaction and Job Performance in the organisation?
- Does Job Satisfaction mediate the relationship between Talent Management and Job Performance in the organisation?

In what follows next the results of the research are discussed per research questions.

5.1.1 Research Question 1

How do employees perceive the current level of Talent Management Practices in the organisation?

The results showed that employees perceived that in general Talent Management practices are only moderately applied in the organisation. The Talent Management Practices that seemed most problematic included Talent Retention Practices, Talent Review Process and Management Commitment. This indicates that respondents tended to have answers which fell toward below the middle of the range which then indicated a moderate application of Talent Management Practices within the organisation.

These results are line with previous research that suggests that Talent Management practices are only fairly applied in South African organisations (Welby-Cooke, 2012). The results of the low Management Commitment to Talent Management practices is concerning. Previous research has showed that a leader's Talent Mindset has an important impact on employees' decision to leave the organisation (Du Plessis *et al.* 2010).

5.1.2 Research Question 2

What is the level of importance of Talent Management Practices as perceived by the employees?

The results showed that the levels of importance of Talent Management Practices are high as perceived by the employees in the organisation. The Talent Management Practices that seemed higher than others included Talent Development, Staffing and Management Commitment. This indicates that respondents tended to have answers which fell toward the higher range which then indicates that it is important to apply talent management practices in the organisation. The results of this study are in line with previous research studies that the level of importance of Talent Management Practices is either high or critical in South African Organisations (Barkhuizen & Veldtman, 2012).

5.1.3 Research Question 3

To what extent is there a gap between the current level of Talent Management Practices and the importance thereof as perceived by the employees?

The results showed that there is a large gap between the current applications of Talent Management Practices in the organisation compared to the employees' perceptions of the importance of the Talent Management practices. The largest gaps were observed between Talent Retention, Management Commitment and Talent Review Process.

It is important for any organisation to manage its talented workforce. The challenge South Africa is currently facing is not just to produce good quality skills but the organisation's ability to manage employees' talents and career development. Talent management refers to the practices of attracting highly skilled workers, of integrating new workers, and developing and retaining current workers to meet current and future business objectives (Pillay, Subban & Qwabe 2008). This therefore places a heavy burden on Human Resource (HR) managers to consistently design talent management strategies that will not only develop employees but further encourage employees to develop themselves and grow as individuals and remain productive to meet the needs of the individual organisations they work for. Increasingly, the focus of talent management is being deliberately

adapted, driven by business circumstances, environmental conditions, internal shortcomings and new performance challenges (Bersin, 2007).

5.1.4 Research Question 4

What is the relationship between the current level of Talent Management Practices and employees' Job Satisfaction in the organisation?

The results showed that Talent Management is a significant predictor of Job Satisfaction. The relationship was positive which means that Talent Management, when well applied can increase the level of job satisfaction of employees. The effect was medium. The results to this study are in line with previous research indicating the relationship between talent management and job satisfaction (Galagan, 2008).

As many managers endeavour to optimize organisational performance most of them use talent management to achieve that. But there is often a detachment between what managers or policy developers believe and what the employees are looking to achieve. Therefore, social beings like the interaction and feeling that what we do is helpful to others, but we want to be doing it in a way that is flexible and gives us the freedom to best organize our time. But above all, and this is where talent management best practices come first before organisational structure, people want to be doing the job that is right for them. That is the role of talent selection and deployment: To assist the individual to find a niche where they can not only be the most productive for the organisation, but also the most personally satisfied, working in the career that's the best fit. Job satisfaction is highly dependent on how employees view their work and jobs they perform and the extent to which they feel they are self-fulfilling to them (Grobler & Warnich, 2006).

A person who continually gets what they need from their work is happy and therefore far less likely to leave. If management can be taught how to skilfully manage the talent in their organisation in the right way in accordance with their unique individual motivational drivers then employee retention will increase. Job satisfaction is highly dependent on how employees' view their work and jobs they perform and the extent to which they feel these are self-fulfilling to them. There is a link between

Talent Management and Job Satisfaction but the direction is difficult to identify. Nonetheless, what is known for sure is that Talent Management and Job Satisfaction of employees are crucial in better performing organisations (Robbins *et al.*, 2009).

This result confirmed Hypothesis 1

5.1.5 Research Question 5

What is the relationship between Talent Management Practices and employees' Job Performance in the organisation?

The results showed that talent Management is a significant predictor of employee Job Performance, with a small effect. The relationship was positive. It can be concluded that an organisation that applies Talent Management Practices will experience a high level of employee job performance. It starts with the way the organisation defines Talent and manages Talent as the term talent means different things to different organisation.

The major problem with most government departments is that they do not have talent management strategies to develop and retain employees. Employees are trained for the sake of compliance and the current training does not result in improved performance within those departments. There is a high level of job security which does not provide good results within the departments and a lack of intervention from top management officials to address poor performance.

A talent management system must be worked into the business strategy and implemented in daily processes throughout the organisation as a whole. It cannot be left solely to the human resources department to attract and retain employees, but rather must be practiced at all levels of the organisation. The business strategy must include responsibilities for line managers to develop the skills of their immediate subordinates. Divisions within the organisation should be openly sharing information with other departments in order for employees to gain knowledge of the overall organisational objectives (Ashton & Morton, 2005).

As a business searches for new or better ways of improving competitive advantage, the capacity of every functional area to improve organisational performance is under scrutiny. As a result when there is a gap between the current and expected performance, talent management plays a major role in improving organisational performance and it paves the way to improve the organisational effectiveness and efficiency, in a situation like this, it is up to the employer to attract and retain talent in the organisation performance measures are the foundation of organisations, since without them no decisions can be made. Furthermore, high performance capability usually begins with planned, structured approaches to ensure best strategies in increasing performance (Reitman, 2007).

Measuring performance offers an effective method of determining whether or not an organisation is meeting its goals and achieving its mission in that companies have to adopt effective and strategic performance measurement tools to obtain the stated benefits. Managers know that people make the critical difference between success and failure; the effectiveness with which organisations manage, develop, motivate, involve and engage the willing contribution of the people who work in them is a key determinant of how well those organisations perform. Employees development and Talent Management should be strategic, not random and unfocused (Ashton & Morton, 2005).

This result confirmed Hypothesis 2



5.1.6 Research Question 6

What is the relationship between Job Satisfaction and Employees' Job Performance in the organisation?

The results showed that Job Satisfaction is a significant predictor of employee Job Performance. The relationship was positive which means that Job Satisfaction, when well applied can increase the level of job performance of employees. The effect however was very small. This may be a function of the fact that employees only perceived talent management practices to be moderately applied in the organisation. The results of this study are in line with previous research indicating the relationship between talent management and job performance.

However the debate about the relationship between performance and satisfaction is decades-old, it is evident that the two are closely related and are directly proportional to one another. Research indicates that job performance causes job satisfaction, while others claim that job satisfaction causes job performance (Ermakova, 2010). The relationship between job performance and job satisfaction is of central interest for researchers in the field of Industrial Psychology (Brown and Peterson, 1993; Christen, Iyer & Soberman 2006; Donnelly & Etzel, 1977; Iaffaldano & Muchinsky, 1985; MacKenzie, *et al.*, 1998, cited in Ermakova, 2010).

Job satisfaction might have important causal effects on job performance. Vroom (1964), concluded from a review of the literature that when rewards are linked to performance, high performers become more satisfied because they are rewarded at higher levels. Consequently, the idea may have intuitive and popular appeal, but there is little empirical theoretical basis for believing that people perform more effectively or produce at higher levels because they are more satisfied (Motowidlo, 1984).

Assigning internal causes to job performance, the individual takes personal credit for job success and personal responsibility for future job performance. Such attributions may foster a more positive affective reaction to the job as the individual experiences a greater sense of control over job outcomes (Norris & Niebuhr, 1984).

Locke (1970) has argued that satisfaction may be the result of performance. However, Cherrington, Reitz & Scott (1971) add that satisfaction results only when performance is appropriately rewarded. Most people believe satisfied workers are more productive workers (Vecchio, 2000). They reason that in most cases satisfied employees are inclined to be more involved with their work, and therefore they become more productive (Vecchio, 2000). Although this might be the case, research is still to prove that there is a relationship between job satisfaction and productivity. In fact, evidence suggests that the relationship between job satisfaction and productivity is a very weak one (Vecchio, 2000). Although evidence might suggest that there is a weak relationship between job satisfaction and productivity it does not mean that employee satisfaction does not yield good results for any organisation. One of the researcher's arguments is that because people tend to overestimate the

influence of job satisfaction, they underestimate other factors that contribute to productivity (Vecchio, 2000).

Organ (1988) suggests that the failure to find a strong relationship between job satisfaction and performance is due to the narrow means often used to define job performance, (Luthans, 1998). Organ argued that when performance is defined to include important behaviours not generally reflected in performance appraisals, such as organisational citizenship behaviours, its relationship with job satisfaction improves (Organ & Ryan, 1995).

This result confirmed Hypothesis 3

5.1.7 Research Question 7

Does Job Satisfaction mediate the relationship between Talent Management Practices and Job Performance in the organisation?

The results showed that job satisfaction did not mediate the relationship between Talent Management Practices and Job Performance. This is a new finding. More research is needed to clarify the unique relationships between Talent Management, Job Satisfaction and Job Performance.

5.2 CONCLUSION

This chapter provided a detailed discussion of the seven research questions which were formulated based on the research objective. Furthermore the research questions were supported by the available literature on the relationship between Talent Management, Job Satisfaction and Job Performance. The four research hypotheses were empirically tested using the statistical data analysis techniques presented in Chapter 4.

Chapter 6: CONCLUSION, LIMITATIONS, AND RECOMMENDATIONS

6.1 INTRODUCTION

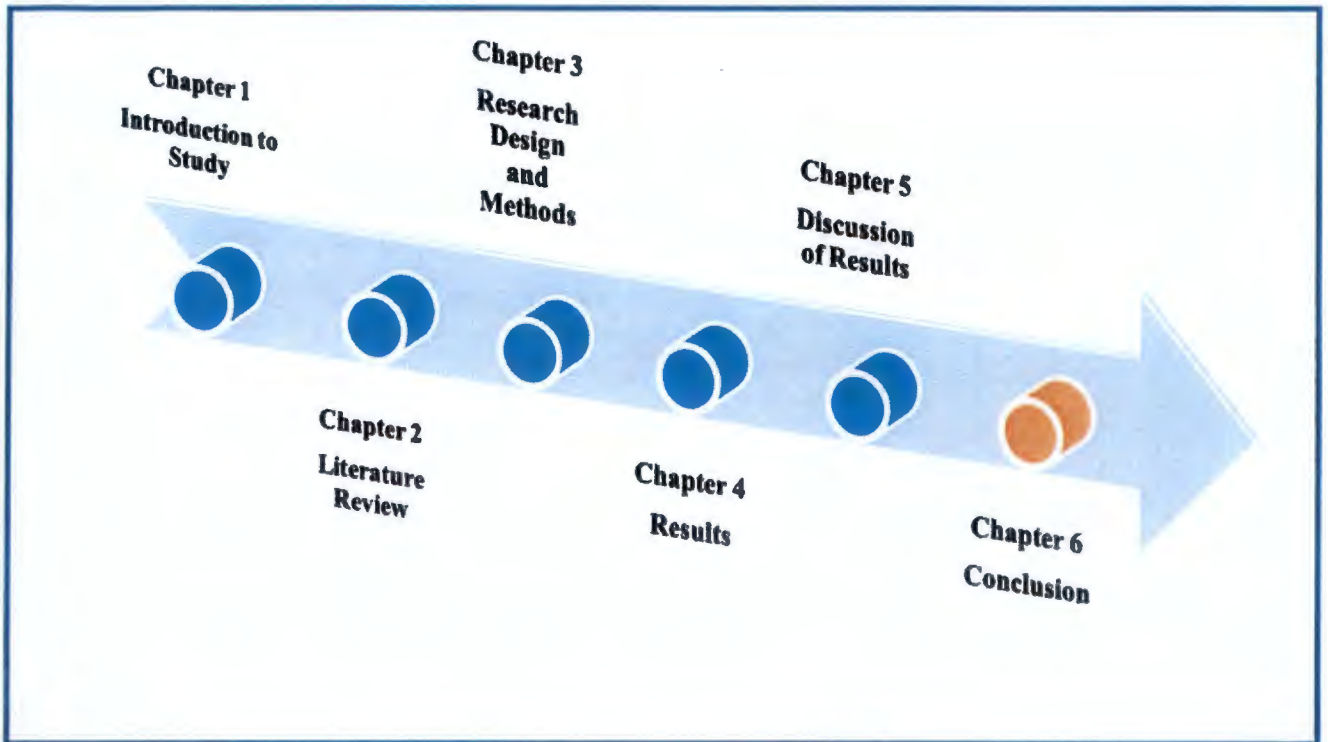


Figure 6-1: Chapter 6 in Context

This chapter offers a synopsis of the entire study, which will be followed with a discussion on the significance of the study, as well as a summary of the empirical results. This chapter will then conclude with the limitations of the study and recommendations for future research.

6.2 OVERVIEW OF THE STUDY

The following section will discuss the purpose of the study, the main research objectives and an overview of the contents of the study.

6.3 PURPOSE OF THE STUDY

The main purpose of this study is to add new knowledge to the existing literature. Derived from the research question, this study aims to determine the relationship between Talent Management, Job Satisfaction and Job Performance in a government institution in Gauteng. Through this research, it will be possible to identify current and perceived TM practices and interpret the application.

6.3.1 RESEARCH OBJECTIVES

6.3.1.1 General objective

The objective of this study is to explore the relationship between Talent Management Practices, Job Satisfaction and Job Performance of employees in a government institution in Gauteng.

6.3.1.2 Specific objectives

- To determine how employees perceive the current level of Talent Management Practices in the Organisation;
- To determine the level of importance of Talent Management Practices as perceived by the employees;
- To determine the extent of the gap between the current level of Talent Management practices and the importance thereof as perceived by the employees;
- To determine the relationship between the current level of Talent Management Practices and employees' Job Satisfaction in the organisation;
- To determine the relationship between Talent Management Practices and Employees' Job Performance in the organisation;
- To determine the relationship between the Employees' Job Satisfaction and Job Performance in the organisation;
- To determine whether Talent Management mediates the relationship between Job Satisfaction and Job Performance in the organisation.

The ensuing section summarises the contents of the study highlighting the chapters which are discussed in this document.

6.4 CONTENT OF THE STUDY

Under this section, a summary of the content of the study is provided, with emphasis on the six chapters which are laid out in this document.

Chapter 1: Introduction and Background

This chapter served as the introduction to this research and provided the reader with a better understanding of the underlying problem that the study addressed. This chapter also provided the impetus for the research study by highlighting the problem statement and research objectives, an academic justification for the research and a basic outline of the report to follow. This chapter guided the whole study through its research objectives.

Chapter 2: Literature Review

This chapter presented an extensive literature review that gave an overview of all the concepts and aspects that were required for the development of a sound foundation for the execution of this study. The chapter commenced by focusing on each of the various concepts of the study individually. Under each of the concepts the different aspects that made up the concepts in the study were discussed. The key concepts researched in this chapter were:

- Talent Management;
- Job Satisfaction and
- Job Performance

Chapter 3: Research Design and Methodology

This chapter commences with a description of the applicable research paradigm; a detailed discussion of the research design and methods which were selected as the framework through which

the research questions of the study were answered. An explanation of the population and sample as well as the sampling methods was followed by data collection methods and instrument descriptions. Furthermore issues which affect the reliability of the research were considered before ethical concerns related to the study were contemplated. The research was designed in such a manner that it could adequately meet the research objectives of this study.

Chapter 4: Results

This chapter provides a brief discussion on the statistical techniques, after which the results and findings of this study were presented in an integrated manner. The discussions included the processing, analysis, and interpretation of data in figures and tables. The chapter commenced with a discussion on the biographical information that was collected during the data collection phase of the study. The next phase of the chapter involved discussing the statistical analysis of the different concepts involved in the study. The final section of the chapter (better known as phase 3) discussed the different relationships of the study through the hypotheses developed in chapter 2.

Chapter 5: Discussion of the Results

This chapter was used to provide a review of the study, summarise the key points of the literature review, and to discuss the key empirical results obtained in Chapter 4. The chapter discussed the research questions with reference to the literature review, and all the four hypotheses of the research study were presented and were either accepted or rejected based on the evidence achieved from the research findings.

Chapter 6: Conclusions, Limitations and Recommendations

Chapter 6 consists of an overview of the research findings of the study in relation to the literature reviewed and the statistical analysis undertaken. This will be done by discussing the significance and limitations of this study, as well as making suggestions for potential research opportunities in the field of Talent Management, Job Satisfaction and Job Performance.

6.5 CONCLUSIONS DRAWN FROM THE STUDY

The conclusions drawn from this study are presented in this section with emphases on those drawn from the literature study and empirical results.

6.5.1 Conclusions from the literature

South African organisations have to invest more time and energy into talent management if they are to ensure that they retain their current talent and are able to attract or develop future sources of talent. However the challenge for South Africa is not just producing good quality skills, the challenge further lies with the organisation's ability to manage employees' talents and career development. This therefore leaves Human Resource Managers with the great challenge of how best they can utilize the human resources they have at their disposal to remain competitive in their respective organisations.

The Human Resource (HR) managers must consistently design talent management strategies that will not only develop employees but further encourage employees to develop themselves and grow as individuals and remain productive to meet the needs of their individual organisations. Increasingly, the focus of talent management is being deliberately adapted, driven by business circumstances, environmental conditions, internal shortcomings and new performance challenges (Bersin, 2007).

In 2004, a high performance workforce study was conducted where it was revealed that in order to dramatically improve people performance and thus business performance, the practice of talent management was number one on the list (Lockwood, 2006). If organisations wish to survive not only the recession but also the operational and strategic challenges, they need to become the best at managing their talent (Chartered Institute for Personnel and Development, 2006).



Different organisations utilize talent management in different ways for their benefits according to the type of organisation and their belief in the practice. According to Ridderstrale and Nordstrom, (1999), talent is the new tipping point in corporate success. It has the potential to be the origin of an organisation's demise or the reason for its continuous success. A concept that radiates this much potential for both disaster and prosperity provides validation for some examination of its protection.

An organisation's ability to retain talent holds economic benefits for the organisation, both through cost containment and revenue generation.

As a business searches for new or better ways of improving competitive advantage, the capacity of every functional area to improve organisational performance is under scrutiny. As a result when there is a gap between the current and expected performance, talent management plays a major role in improving organisational performance and it paves the way to improve the organisational effectiveness and efficiency; in a situation like this, it is up to the employer to attract and retain talent in the organisation. Performance measures are the foundation of organisations, since without them no decisions can be made. Furthermore, high performance capability usually begins with planned, structured approaches to ensure best strategies in increasing performance (Reitman, 2007).

The major problem that South Africa's government departments are currently facing is that the departments do not have talent management strategies to develop and retain employees. Employees are trained for the sake of compliance and the current training does not result in improved performance within those departments. There is lack of intervention from top management officials to address poor performance. This is a problem as lack of talent management can only culminate in poor performance and job dissatisfaction.

By virtue of being human, employees want development, growth and movement. Without a proper talent management system, it is highly unlikely that employees will be developed or receives proper training which may not result in career management and ultimately job satisfaction. The absence of succession planning and desire to retain those qualified and high performing employees has seen most departments that lack that ability lose most of their workforce to organisations that show care and desire to develop their workforce (Lurz ,2004).

As many managers endeavour to optimize organisational performance most of them use talent management to achieve that. But there is often a detachment between what managers or policy developers believe and what the employees are looking to achieve.

Therefore, social beings like the interaction and feeling that what we do is helpful to others, but we want to be doing it in a way that is flexible and gives us the freedom to best organize our time. But above all, and this is where talent management best practices come first before organisational structure, people want to be doing the job that is right for them. That is the role of talent selection and deployment: assist the individual to find a niche where they can not only be the most productive for the organisation, but also the most personally satisfied, working in the career that's the best fit!. Job satisfaction is highly dependent on how employees view their work and jobs they perform and the extent to which they feel these are self-fulfilling to them (Grobler & Warnich, 2006).

6.5.2 Conclusions drawn from the results

From the statistical analysis conducted in the study the following conclusions can be drawn:

- The results indicated that there was a large gap between current application of Talent Management Practices and the level of importance with regard to Talent Management Practices.
- There is a statistically significant relationship between the Talent Management and Job Satisfaction, based on the results of a Multiple Regression analysis.
- Talent Management is a statistically significant predictor of Job Satisfaction based on the results of a Multiple Regression analysis.
- Based on the results of a Simple Linear Regression analysis there is a statistically significant relationship between Talent Management and Performance Management.
- Talent Management is a statistically significant predictor of Performance Management, which was determined from the results of a Simple Linear Regression analysis.
- Based on the results of a Simple Linear Regression analysis it has been determined that there is a statistically significant proportional relationship between Talent Management and Performance Management, thus the more any organisational focuses on talent management and applies its principles and practices the more the employees performance will increase.
- Based on the Multiple Regression analysis conducted it was determined that Job Satisfaction was not a statistically significant mediator for the relationship between Job Satisfaction, Talent Management, and Performance Management.

6.6 LIMITATIONS

There are negative factors that impact on the study. The factors pose limitations that may adversely affect the useful nature of the study. This study had several limitations associated with the theoretical perspectives, the context and the target population.

The following are the limitations of the study.

6.6.1 Limitations in literature review

Firstly, there is a limited literature concerning Talent Management. Most literature is on Job Satisfaction and Performance. Therefore, most of the literature regarding Talent Management used in this study was gathered from limited resources. It is thus possible that this literature is not sufficient enough to provide a solid conclusion.

6.6.2 Limitations as a result of the data collection method

The data collection tool used for this study was a questionnaire. The quality of the data it collects is often criticised (Leedy & Ormrod, 2010). The five-point Likert-type response scale used in the HCI should be further refined to improve the reliability and validity of responses. Due to the complexity of the issue at hand, the depth of the questionnaire and the fact that the questionnaire was administered at all organisational levels is problematic due to the fact that individuals at a lower level are not well informed about strategic issues.

6.6.3 Limitations as a result of sample size and characteristics

As mentioned above, the sample size was an important consideration and collecting an adequate sample was a bit of a concern. Five hundred and forty eight (548) questionnaires were sent out in a government department. Three hundred and forty (340) responses were originally received, a 62% response rate, and 339 questionnaires were spoilt due to the fact that they were not fully completed and two one hundred and nine were useable (209), giving a final response rate of 38.1%. A large

portion of respondents from the department were females (59.8%) and (39.7%) were males from the academic side thus influencing the representative nature of the study.

Unfortunately most participants did not complete all the biographical information on their departments and functions, so no analysis could be run on the relationship between Talent Management, Job Satisfaction and Job Performance on the different functions in the management levels of the organisation.

Due to the small sample size the findings of this study are not generalizable to the general population (Maree & Pietersen, 2009). The findings in this study cannot be generalized, because the sample size that was used was limited only to those respondents available at the time of the study. Respondents were randomly selected in the government department; however, the findings may not be applicable to other departments. The findings may not reflect the situation in other government departments in the Province. A bigger sample should be considered in the future in order for the findings to be representative.

6.6.4 Limitations resulting from the sample method

Firstly, the sample of this study was a sample of convenience. This sample was chosen because the researcher was familiar with the environment and because of the fact that the target organisation declared itself available to participate in this study. The use of purposive sampling resulted in the study being vulnerable to selection bias. The sample chosen may thus not represent the target population completely (Kumar, 2005). The data was collected over a short period and it is possible that the participants may have completed the questionnaires without understanding certain sections of the questionnaires due to lack of sufficient time.

6.7 RECOMMENDATIONS FOR FUTURE RESEARCH

This study made a unique and important contribution to the understanding of Talent Management in a government department. No research has previously focused on determining the relationship between Talent Management, Job Satisfaction and employee performance in a government

department. This study was original and provided rich information regarding the specific department. This information can be used to develop interventions to help improve employee performance and increase the level of employee job satisfaction through the right application of Talent Management practices.

- Qualitative approaches and methods, including interviews and focus groups, should be employed to supplement questionnaire surveys. This will enable the researcher to build rapport with the various participants and should consequently result in more truthful answers in response to questions regarding an employee's intention to leave an organisation.
- The results of this study should be used by organisations to understand the impact of Talent Management Practices in increasing the level of Job Satisfaction and Employee Job Performance.
- Future samples should also attempt to collect more information from a wide range of the employee's relation with satisfaction with talent management practices, Job Satisfaction and Job Performance. By using a larger sample group the relationship between the concepts can be more clearly investigated, as there will be more data to draw improved conclusions from.
- Further research in this regard may also lead to more effective Talent Management Strategies for government institutions.
- This study was limited to only one government department in Gauteng. The scope of this study can firstly be extended to include at least five Government departments in Gauteng. Secondly it can be extended to cover all three spheres of government

6.8 CONCLUSION

The purpose of this study was to explore the relationship between Talent Management, Job Satisfaction and Employee Job Performance. The level of Talent Management Practices is relatively fair but way below the expected level as perceived by employees within the department. It has been demonstrated by the study that Talent Management and Job Satisfaction are critical for the success of the organisation and to increase employees' level of Job Performance.

It was valuable to gather the views of government employees with regard to Talent Management Practices. The study was successful in achieving the intended objectives. This kind of research study

should serve as an eye opener to government departments and encouraging them to formulate Talent Management strategies. The researcher hopes that the department would be able to use the study to improve on the current gaps in talent management, job satisfaction and improve levels of job performance.

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APPENDIX

Certificate of language editing

1065 Hector Peterson Drive

Unit 5

Mmabatho

29 November 2012

CERTIFICATE OF LANGUAGE EDITING

The mini-dissertation entitled

**THE RELATIONSHIP BETWEEN TALENT MANAGEMENT, JOB
SATISFACTION AND JOB PERFORMANCE IN A GOVERNMENT
DEPARTMENT**

Submitted by

HARRIET MASETSHABA MAGOLEGO

For the degree of

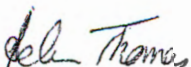
**MASTER OF ADMINISTRATION
(HUMAN RESOURCE MANAGEMENT)**

In the

**FACULTY OF COMMERCE AND ADMINISTRATION
MAFIKENG CAMPUS
NORTH WEST UNIVERSITY**

has been edited for language by

Mary Helen Thomas B.Sc.(Hons) P.G.C.E



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