

**EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

**NELSON MANDELA UNIVERSITY**

School for Industrial Psychology and Human Resources

**Expectations and Experiences of Talent Management across South Africa and the  
Effect on Retention**

Jean du Randt

(190090120)

Submitted in partial fulfilment of the requirements for the degree of MA Industrial and  
Organisational Psychology to be awarded at the Nelson Mandela University

Supervisor: Prof. Michelle Mey

April 2019

TABLE OF CONTENTS

**DECLARATION..... ix**

**ABSTRACT.....x**

**ACKNOWLEDGEMENTS .....xi**

**CHAPTER 1 INTRODUCTION ..... 1**

1.1 Context ..... 1

1.2 Key Variables Studied.....2

1.3 Research Aims.....3

1.4 Methodology .....3

1.4.1 Design .....3

1.4.2 Population .....3

1.4.3 Sampling and Data Collection .....4

1.4.4 Research Instruments .....4

1.4.5 Statistical Analysis .....4

1.4.6 Validity and Reliability Considerations.....6

1.4.7 Ethical considerations .....6

1.5 Anticipated Value of the Study .....6

1.6 Summary of Introduction .....6

**CHAPTER 2 LITERATURE REVIEW .....7**

2.1 Talent Management in a Diverse, Emerging Economy .....7

2.1.1 Talent Management Defined .....8

2.1.2 The Effectiveness of Talent Management in South Africa and Beyond .....9

2.1.3 From Talent Management to Talent Value Management ..... 11

2.1.4 Conclusions from Talent Management Research ..... 12

2.2 Work Environment.....13

2.2.1 Person-Environment Fit ..... 13

2.2.2 Job Design Theory ..... 15

2.2.3 Motivational Theories Related to Work Environment ..... 16

2.2.4 Conclusions Regarding Work Environment Research ..... 17

2.3 Rewards.....18

2.3.1 From Base Pay to Total Rewards ..... 18

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

2.3.2	What Rewards Matter Most? .....	19
2.3.3	Conclusions from Reward Research.....	20
2.4	Leadership and Management Styles.....	21
2.5	Retention .....	22
2.5.1	The Cost of Turnover.....	23
2.5.2	Retention and Turnover Drivers .....	23
2.5.3	Is Loyalty Dead?.....	24
2.6	Generational Cohorts and Race.....	25
2.6.1	Generational Cohorts .....	25
2.6.2	Race .....	27
2.7	Conclusions from Literature review.....	28
<b>CHAPTER 3: METHODOLOGY .....</b>		<b>31</b>
3.1	Chapter Preview .....	31
3.2	Research Questions .....	31
3.3	Research Approach and Design .....	31
3.4	Study Population .....	32
3.5	Sampling Method and Respondents.....	32
3.6	Data Collection Instruments.....	33
3.6.1	Biographical Information.....	34
3.6.2	Talent Attraction Questionnaire.....	34
3.6.3	Rewards and Benefits Questionnaire .....	34
3.6.4	Management and Leadership Preferences Questionnaire .....	34
3.6.5	Talent Retention Questionnaire .....	35
3.7	Data Processing .....	35
3.8	Data Analysis .....	35
3.8.1	Biographical Data .....	35
3.8.2	Inferential Statistics .....	36
3.8.3	Exploratory Factor Analysis .....	36
3.8.4	Factor scores and paired sample tests .....	39
3.8.5	Pearson Correlation.....	41
3.8.6	T-tests and Analyses of Variance (ANOVA) .....	42
3.9	Reliability considerations.....	42

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

3.10	Ethical considerations .....	42
3.11	Summary of Methodology chapter.....	42
<b>CHAPTER 4 FINDINGS .....</b>		<b>43</b>
4.1	Chapter Preview .....	43
4.2	Study Population .....	43
4.3	Factors Emerging from EFA .....	43
4.3.1	Talent Management Factors.....	43
4.3.2	Retention Factor.....	48
4.4	Mean Scores and Differences between Importance and Current employer ratings ..	50
4.4.1	Factor level Scores .....	50
4.4.2	Question level scores .....	52
4.4.3	Summary of Mean Factor and Question Scores .....	54
4.5	Correlations .....	55
4.5.1	A Factor Structure Correlations .....	55
4.5.2	B Factor Structure Correlations .....	56
4.5.3	Correlations between A & B Factor Structures .....	57
4.5.4	Correlations of Individual Questions to the Retention factor .....	59
4.5.5	Summary of Correlation Findings .....	63
4.6	Analysis of Variance .....	63
4.7	Gender Variances .....	64
4.7.1	Generational Variances .....	64
4.7.2	Racial Variances .....	67
4.7.3	Summary of Variance Analyses .....	68
4.8	Summary of Main Findings .....	69
<b>CHAPTER 5: DISCUSSION .....</b>		<b>71</b>
5.1	Chapter Preview .....	71
5.2	Q2: Which aspects of talent management are the most important to South African employees?.....	71
5.2.1	EFA factor loadings .....	72
5.2.2	Mean factor scores .....	72
5.2.3	Importance Ratings by Question.....	74

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

5.2.4	Conclusions on Question 2 .....	74
5.3	Q3: To what extent are expectations around these aspects (importance ratings) being met by employers? .....	75
5.3.1	Cash: An Unhappy King.....	75
5.3.2	Leadership Competence.....	75
5.3.3	Are unfulfilled leadership expectations keeping cash on the throne? .....	76
5.3.4	Conclusions on Question 3 .....	77
5.4	Q4: Which aspects are the strongest drivers of retention? .....	78
5.4.1	Factor Level Correlations .....	78
5.4.2	Conclusions to Question 4 .....	79
5.5	Q5: Are there any significant differences based on age, ethnicity or gender?.....	79
5.5.1	Gender differences .....	80
5.5.2	Age differences .....	81
5.5.3	Racial differences .....	81
5.5.4	Conclusions to Question 5 .....	81
5.6	Q1: What is a fit for purpose talent management strategy for a diverse, emerging economy? .....	82
5.6.1	SABPP's Strategic talent management process.....	82
5.6.2	Organisational Culture as a critical talent management imperative .....	83
5.6.3	Linking talent to business value.....	84
5.6.4	Leading talent .....	84
5.6.5	Developing talent.....	85
5.6.6	Rewarding talent.....	85
5.6.7	Conclusions to Question 1 .....	86
5.7	Summary of Discussion Chapter.....	89

## CHAPTER 6 CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH .....

6.1	Chapter preview .....	90
6.2	Summary of Main Findings .....	90
6.2.1	What Employees Really Want.....	90
6.2.2	Cash the Imposter King .....	91
6.2.3	Demographic differences and similarities .....	92

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

6.3	Value of the study .....	93
6.3.1	Support for Herzberg's Two-Factor Model .....	93
6.3.2	Does Alderfer's ERG Frustration-Regression Concept Explain our Money Focus .....	94
6.3.3	Implications for Talent Management Strategies .....	94
6.4	Limitations of the Study .....	97
6.5	Recommendations for future research.....	97
6.6	Conclusion.....	98
<b>REFERENCES.....</b>		<b>100</b>

LIST OF TABLES

Table 1.1: *Summary of statistical analyses* .....5

Table 2.1: *World at Work Total Rewards Model* ..... 19

Table 2.2: *Global Generational cohorts vs South Africa’s Political generations* .....27

Table 3.1: *Demographic profile of respondents* .....33

Table 3.2: *Steps in EFA and Reliability testing process* .....37

Table 3.3: *Factor structure with Cronbach’s alphas*.....39

Table 3.4: *Summary of Mean Factor scores, paired sample t-tests and Cohen’s D* .....41

Table 4.1: *A vs B factor loadings on Leadership Styles* .....44

Table 4.2: *A versus B factor loadings on Work Environment*.....45

Table 4.3: *A versus B factor loadings on Benefits and Incentives* .....46

Table 4.4: *A versus B factor loadings on Development* .....47

Table 4.5: *A factor of Social Connectedness* .....47

Table 4.6: *B factor of Cash* .....48

Table 4.7: *Retention factor* .....49

Table 4.8: *Summary of Mean Factor scores, paired sample t-tests and Cohen’s D* .....50

Table 4.9: *Top 15 questions by importance ranking*.....53

Table 4.10: *Top 15 questions by difference in A vs B ratings*.....54

Table 4.11: *A Factor structure correlation*.....56

Table 4.12: *B Factor structure correlation*.....57

Table 4.13: *Correlations between A & B Factor structures* .....58

Table 4.14: *Correlations of Questions to Retention Factor ranked by p size*.....60

Table 4.15: *T-test results for Gender Variances*.....64

Table 4.16: *Tukey test results of factors with significant ANOVAs by generation* .....65

Table 4.17: *Mean factor scores per Generation for Factors with significant ANOVAs*.....66

Table 4.18: *Tukey test results of factors with significant ANOVAs by Race* .....67

Table 4.19: *Mean factor scores per Race group for Factors with significant ANOVAs* .....68

Table 5.1: *Importance ratings by factor* .....73

Table 5.2: *Differences in Mean Factor Scores* .....76

Table 5.3: *Factors with significant correlations to Retention* .....78

Table 5.4: *Summary of significant differences by factor* .....80

**LIST OF FIGURES**

Figure 5.1: Elements of a fit for purpose talent management strategy in South Africa .....87  
Figure 6.1: McKinsey’s Five Elements of a Successful Talent Formula .....96  
Figure 6.2: McKinsey’s EVP components.....96


**LIST OF APPENDICES**

Appendix 1: Research Questionnaire..... 108



DECLARATION

I, Jean du Randt (student no. 190090120), hereby declare that this treatise is my own work and that it has not previously been submitted for assessment or completion of any postgraduate qualification to another university or for another qualification.

..... (Signature)  
Jean du Randt

### ABSTRACT

The “war on talent” is intensifying and effective talent management strategies are imperative for business success. This study explores the expectations and experiences of talent management strategies amongst employees across South Africa and their impact on retention. The literature review covers the constructs of talent management, working environment, rewards, leadership, race, age and gender as well as retention.

A quantitative survey approach with comparative studies was adopted. A snowball convenience sampling method was used with links to an on-line questionnaire e-mailed to potential respondents. A total of 711 useable responses were received. Statistical analysis included factor analysis, Cronbach alpha reliability testing, mean factor scores, paired sample t-tests, Pearson’s correlations, T-tests and ANOVAs.

The study found that leadership was the factor rated as most important followed by working environment and development. Respondents reported significant differences between expectations and employer ratings on all factors, with cash rewards being the greatest source of dissatisfaction. Experiences of work environment, leadership and development indicated stronger correlations to retention than cash rewards. Women, millennials and non-whites demonstrated the highest retention risks.

A significant negative correlation was found between the respondents’ reported experience of leadership, work environment and development and the importance they attached to cash rewards. The study supports Herzberg’s classification of cash rewards as a hygiene factor and Alderfer’s ERG theory’s concept of frustration-regression.

This has significant implications for the focus of talent and retention strategies, and it is proposed that improving the quality of leadership, work environments and development opportunities will decrease the current over-reliance on monetary rewards as a retention tool.

**ACKNOWLEDGEMENTS**

I would like to express my sincere appreciation to the following people who have enabled me to complete this research.

My husband Gary and my sons Joshua and Daniel for your unwavering love, support and patience with me. Thank you for the sacrifices you have made to allow me to pursue full-time studies this year and for your belief in me.

Professor Michelle Mey for your guidance and insight and for inspiring me to follow this path. Thank you for your professional approach, for allowing me to express my “voice” and for helping me make the connections between practice and academia.

Carmen Stint for your support with the statistical analyses, for your patience with my numerous requests and for your informative explanations.

To the inspirational, authentic leaders I have worked with over the years. Your character and competence are the true talent magnets.

Finally, and most importantly, to my Lord and Saviour Jesus Christ for being my light, my hope and my strength. All that I have done, am, have and hope to be is by His grace, provision and bountiful love.

## CHAPTER 1 INTRODUCTION

### 1.1 Context

Few will dispute that an organisation's ability to attract, motivate, develop and retain the right talent is critical to survive and thrive in today's volatile, uncertain, complex and ambiguous (VUCA) world.

South African businesses find themselves in a particularly challenging situation regarding talent attraction and retention. Whilst the country is seeing a steady annual growth rate of 10% in the economically active population, the shift in the demand for highly skilled, technical jobs through the onset of the fourth industrial revolution is not being met by an adequate supply of skilled labour with only 5% of adults being exposed to tertiary level education (Crouse & Attlee, 2016). Compounding this problem of internal supply and demand, the 2017 global talent competitiveness index ranks South Africa at 101 out of 118 in its ability to retain talent; highlighting talent retention as a key priority area for South African businesses (Knowledge Resources, 2017).

In 1998, McKinsey published their landmark article, titled *The War for Talent* predicting the fierce competition that would ensue as demand for skilled senior executives outgrew supply (Chambers, Foulon, Handfield-Jones, Hankin, & Michaels, 1998). They asserted that organisations would have to shift how they thought about talent and outlined five imperatives which they predicted would be critical battle strategies in the impending talent war. These imperatives were instilling a talent mind-set, creating a winning employee value proposition (EVP), continuous recruitment, growing great leaders, and differentiation based on performance. Around the same period, Goshal and Bartlett (1997) in their ground-breaking book, *The Individualised Corporation*, articulated a fundamental shift in management philosophy away from organisational structure, processes, and bureaucracy towards one that focuses on the power of the individual and individual initiative as the driver of value creation.

In the subsequent 20 years, the field of talent management has emerged as a critical component of the HR business value proposition as organisations have grappled with making the transition from an organisation-centric approach to management to a more individualised, employee-centred one. This, together with the emergence of the field of Positive Organisational Psychology coined by Seligman (1998), gave rise to a host of initiatives and

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

business practices designed to attract, retain, and motivate employees in the increasingly competitive talent arena. Although there is little agreement on the definition and components of talent management (Gallardo- Gallardo & Thunnisson, 2016), considerable growth took place in this field over the past two decades with most frameworks focusing on initiatives aimed at attracting, retaining, identifying, leading, and growing talent (Meyer, 2016).

However, the effectiveness of these initiatives, particularly in emerging market contexts is in question. In a review of empirical research on talent management, Gallardo-Gallardo and Thunnisson (2016) found that the majority of studies were conducted in Anglo-Saxon countries and that over 60% of their target populations were senior management and HR representatives and not the employees themselves.

In South Africa, with its skills shortages and retention challenges, amplified by increasing pressure placed on companies through the legislative requirements of Employment Equity, BBBEE and skills development, businesses should question whether their talent strategies are having the desired impact. Whilst considerable effort is being made across corporate South Africa to engage, motivate and retain talent, reports of high turnover indicate that these are not having the desired impact (Knowledge Resources, 2017).

It is therefore, imperative that South African businesses understand what is important to their current and prospective employees as well as how well they are performing against their expectations. Furthermore, in our changing, demographically diverse workforce it is important to understand any generational, racial and gender differences and how these impact on retention. An understanding of these key drivers is critical to developing fit for purpose talent strategies in the South African context.

### **1.2 Key Variables Studied**

In order to fully understand the field of talent management and its effectiveness at both an individual and organisational level, it is important to understand what it entails and gain a holistic understanding of the wide variety of inter-related variables that impact and are impacted by it. This study entails a literature review covering the definitions, scope, effectiveness, and emerging trends in the field of talent management. It also encompasses a review of theoretical and empirical studies on the variables of working environment, total rewards, leadership, management and diversity as well as retention. The review of these

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

variables is expanded upon in Chapter two which provides a solid theoretical base for the direction, structuring and interpretation of this research.

### 1.3 Research Aims

The main question that this research aims to answer is: “How effective are talent management strategies in driving retention in South Africa?”

The first sub-question is:

- Question 1: What is a fit for purpose talent management strategy for a diverse, emerging economy? This will be answered through a detailed literature review focusing on emerging market economies in general and South Africa, in particular.

The following sub-questions will be answered through the empirical statistical analysis of the data:

- Question 2: Which aspects of talent management are the most important to South African employees?
- Question 3: To what extent are expectations around these aspects (importance ratings) being met by employers?
- Question 4: Which aspects are the strongest drivers of retention?
- Question 5: Are there any significant differences based on age, ethnicity or gender?

### 1.4 Methodology

This section summarises the research methodology followed in this study.

#### 1.4.1 Design

The study followed a quantitative, non-experimental survey approach with comparative studies. Existing data gathered from another Nelson Mandela University study on talent management was used for this study.

#### 1.4.2 Population

The target population for the study comprised employees across the generational cohorts in South Africa within the private and/or public sector. It encompassed all organisational levels

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

including managerial, non-managerial and support/administrative employees; all different in gender, age and ethnic groupings.

### **1.4.3 Sampling and Data Collection**

A snowball convenience sampling method was used for this survey. Potential respondents received an email with the questionnaire link. A total of 711 useable questionnaires were returned.

### **1.4.4 Research Instrument**

The research instrument used for this study consisted of a questionnaire comprising five constructs. Three of these constructs represented talent management, namely talent attraction (20 items), rewards and benefits (28 items), management styles and leadership preferences (16 items) and one represented talent retention (11 items).

The items representing talent management each consisted of two five-point Likert rating scales measuring both the importance of the items to the respondents and the respondent's rating of their current employer. This allows for the correlation between expectations and experiences in this regard. The retention items each had a single, five-point Likert rating. Details on the scales and instrument used will be discussed in more detail in Chapter three.

### **1.4.5 Statistical Analysis**

Exploratory factor analysis was conducted on both scales of the talent management questionnaires and on the retention questionnaire. Cronbach alpha reliability tests were conducted to verify the factor groupings. Mean factor scores were calculated for both scales of the talent management questionnaires and tests for significance in differences were conducted to determine any variances in expectations (rating scale A) and experiences (rating scale B)

Correlations were conducted between the factors to determine whether there are any significant relationships and t-tests and ANOVAs were conducted to test for differences between gender, racial and generational cohorts.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Table 1.1 illustrates a summary of the above and reflects the statistical analyses conducted to address each of the research questions.

Table 1.1: *Summary of statistical analyses*

Research Question	Questionnaires Used	Statistical Analysis
Q2: Which aspects of Talent Management are most important to South African employees?	Five-point Likert scale on A (Importance) for the Talent Management questionnaires namely: <u>Talent Attraction</u> (20 items), <u>Total Rewards</u> (28 items) <u>Management styles and Leadership preferences</u> (16 items). Total – 64 items	1) Exploratory factor analysis of A responses to the three talent management questionnaires (also do EFA on B responses and on the Retention questionnaire) 2) Cronbach alpha reliability test to verify factor groupings 3) Mean factor scores for A factors and questions.
Q3: To what extent are expectations around these aspects (importance ratings) being met by current employers?	Both A (Importance) and B (Rating current employer) of scale responses for above three Talent Management Questionnaires	4) Calculate Means of both A and B responses at Factor and question level. 5) Calculate difference between A and B Means. 6) To test for significance of any differences between A and B means conduct Paired sample t-test on Factor means 7) Conduct Cohen's d to test for effect size.
Q3: Which aspects are the strongest drivers of retention?	Mean factor scores of A and B factors of <u>Talent Management questionnaires</u> correlated to Mean factor score of <u>Talent Retention</u>	8) Pearson's correlation to test for correlation between all factor scores.
Q4: Are there any significant differences based on age, ethnicity or gender?	All scales	9) T-tests for Gender differences and ANOVAs and Tukey tests for age and ethnicity.



### **1.4.6 Validity and Reliability Considerations**

Cronbach alpha reliability tests as outlined above were utilised to test the reliability of the exploratory factor analyses.

### **1.4.7 Ethical considerations**

The study which generated the data used in this study received clearance from the Ethics Committee at NMU and the data was used with permission from the original researchers.

## **1.5 Anticipated Value of the Study**

Businesses across South Africa invest a lot of time and finances on various talent management strategies with the intention of being able to attract, retain, and motivate the right employees to drive organisational value. Furthermore, South African organisations have the unique challenge of attracting and retaining suitably qualified equity candidates and organisations are experiencing a high degree of turnover with a limited pool of candidates circulating between a growing number of critical jobs. The benefits of getting it right are significant, and so are the costs of getting it wrong. Therefore, it is imperative that organisations understand how they are performing against the expectations of a changing, diverse workforce. The intended impact of the study will be to highlight the strengths and shortcomings in current talent management practices pertaining to their ability to meet the varying expectations of the diverse South African workforce and to provide insights that will guide the development of future talent strategies.

## **1.6 Summary of Introduction**

The main question posed by this study is “how effective are talent management strategies in driving retention in South Africa?” It covers the key variables of talent management, working environment, rewards, leadership, diversity and retention and follows a quantitative survey approach targeting employees across South Africa.

## CHAPTER 2 LITERATURE REVIEW

### 2.1 Talent Management in a Diverse, Emerging Economy

Twenty years after McKinsey and company declared the war for talent (Chambers et al., 1998), the global landscape may have changed, but the war is intensifying. (Keller & Meaney, 2017). The world is faced with a polarised economy as globally the fourth industrial revolution is amplifying the declining demand for a growing pool of unskilled workers, whilst paradoxically the demand for skilled workers is exceeding supply at an ever-increasing rate (World Economic Forum, 2016). These opposing shifts in supply and demand at the respective ends of the skills continuum present some fundamental socio-economic challenges for both business and governments, particularly in diverse, emerging economies such as South Africa (Horwitz, 2013).

What this means for South African business is that whilst unskilled and even semi-skilled jobs are declining leading to growing unemployment and poverty levels in the lower socio-economic levels of society, there is a rapidly increasing demand for skilled workers that exceeds the country's ability to grow and supply. Therefore, despite mounting calls for social justice and equality, these market forces are driving greater inequality and for business, two seemingly opposing HR agendas. On the one hand, labour relations practitioners are faced with an increasingly threatened and marginalised unskilled/semi-skilled bargaining unit level workforce where the challenge lies in balancing the demands of a globally cost competitive business environment with workers' demands for fairness and equality in the context of a progressive, pro-labour legislative framework. In this world, there is an oversupply of workers for a diminishing pool of unskilled jobs, large scale retrenchments, heightened conflict and legislative intervention in order to prevent exploitative business practices.

On the other hand, when it comes to skilled roles, HR practitioners must develop and implement robust talent management strategies to attract, develop, deploy, and retain critical talent in a context where the demand for skilled workers exceeds supply and organisations compete both locally and globally for a relatively small pool of skilled talent. In this world, an undersupply of suitable talent means high turnover and vacancy rates which erode business value, whilst salaries and benefits for these skilled roles increase, widening the gap between the haves and the have-nots. A further compounding factor which is unique to the South African business context are the transformational requirements of Broad-Based Black

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Economic Empowerment (BBBEE) and the Employment Equity act, which require businesses to address racial and gender imbalances, particularly at the more senior levels. Due to historical, apartheid era educational deficits, the demand for equity candidates in senior, skilled positions exceeds supply, which places a significant responsibility on talent managers to identify, develop, and retain equity talent. Here the challenge lies in moving beyond mere compliance to building truly inclusive cultures as an integral part of talent strategy (Bourke & Dillon, 2018; Molefi, 2017).

The subject of this research is on the latter of the two HR approaches, namely talent management, which typically focuses on skilled roles. However, it is important to recognise that the challenges at the respective ends of the skills spectrums are very different and to be clear when developing strategies around these groups of the differing needs, both of business and employees, at these levels.

### **2.1.1 Talent Management Defined**

Despite the growth of the talent management field in the past twenty years, there is little agreement in academic and business circles of the scope, definition and theoretical framework of the talent management function. (Gallardo- Gallardo, & Thunnisson, 2016; Poisat, Mey & Sharp, 2018). A number of South African studies have highlighted the lack of an integrated talent management framework in industries ranging from local government to the private sector to higher education (Erasmus, Naidoo & Joubert, 2017; Hare, 2017; Van Zyl, Mathafena & Ras, 2017) and some have criticised talent management processes and practices as having degenerated into admin-intensive, bureaucratic ‘tick-box’ exercises (Meyer, 2016; Pandey, 2017).

The most inclusive and comprehensive work to date in developing an integrated Talent Management framework in South Africa has been the South African Talent Management Standard developed by the SA Board for People Practice (SABPP) in consultation with 108 HR managers from across South Africa. Talent management was identified as one of five HR capabilities in the SABPP HR competency model along with strategy, HR governance, risk and compliance, analytics and measurement, and HR service delivery (Meyer, 2018). The SABPP defines talent management as follows: “Talent management is the proactive design and implementation of an integrated talent-driven organisational strategy directed to attracting, deploying, developing, retaining and optimising the appropriate talent requirements as

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

identified in the workforce plan to ensure a sustainable organisation. In simple terms, talent management is the identification and development of the organisation's bench-strength (Meyer, 2018).

The SABPP standard sets out a comprehensive set of processes which help formulate a long-term demand and supply forecast, understand the gaps between required and current talent and set talent management systems and interventions to close the identified gaps (Meyer, 2018).

Whilst the SABPP Strategic Talent Management Standard sets out a comprehensive process for arriving at a talent management strategy, the framework set out by Terry Meyer in his book *Shaping Africa's Talent* (Meyer, 2016), provides a holistic view of the components that comprise talent management. The model articulates the need for policy and governance and specifies the functional areas of identifying, attracting, retaining, leading, and growing talent as well as succession and career management. Essentially, Meyer's model emphasises the role of talent management in shaping organisational culture and highlights the crucial role of leadership and values in creating an enabling organisational culture. This view is supported by a case study in Meyer's book on how leadership and a values-driven culture played a pivotal role in Coca-Cola Sabco's journey in becoming a leading emerging market specialist in multiple markets across Africa and Asia (Potgieter, 2016).

Other talent management models are similarly comprehensive emphasising to varying degrees of the role of attraction, retention, reward, succession planning and development in the talent management process whilst also highlighting the need to consider culture, context and other factors such as generational theory (Bluen, 2013; Erasmus, Naidoo & Joubert, 2017; Van Zyl et al., 2017). Bluen's framework in his book *Talent management in emerging markets* highlights the need for talent strategies to support business strategies and drive business performance. He identifies the core talent management functional areas as well as the underpinning processes but goes a step further than other models by articulating the varying roles and impact of key role players such as leaders, human resources as well as local and expatriate employees (Bluen, 2013).

### **2.1.2 The Effectiveness of Talent Management in South Africa and Beyond**

Research such as those cited below, demonstrates that whilst it is widely accepted that talent management is a critical aspect of a successful business strategy, in practice, it is not yielding the desired results.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

In South Africa, a study in the engineering industry revealed that although 94% of respondents indicated talent management as a priority, only 57% had some talent management initiatives in place and these were not deemed effective (Oosthuisen & Nienaber, 2010). An exploratory study of the talent challenges at the City of Cape Town Municipality revealed that although there was a comprehensive talent framework, poor talent management practices lead to increasing turnover levels (Koketso, 2011). Researchers investigating the effectiveness of talent management practices at a major South African distance university found that although, in policy the university embraced a holistic talent approach, the impact thereof was severely inhibited by poor implementation and lack of integration with other supporting policies and practices. The study highlighted the adverse impact of role ambiguity in the talent process with line managers unclear on the role that they needed to play in talent management (Erasmus, Naidoo & Joubert, 2017). Another South African study in the private sector also found that role clarifications regarding talent management responsibilities and accountabilities are still largely unclear, impacting programme effectiveness (Van Zyl et al., 2017).

From the research, one can conclude that despite many South African companies having elaborate Talent Management strategies in place, challenges in their implementation limit their effectiveness. A key contributing factor is the lack of management ownership and accountability indicating that many have not heeded the first imperative as set out by Mckinsey in 1998 for winning the war on talent, namely instilling a Talent Mind-set at all levels in the organisation and making talent everyone's job (Chambers et al., 1998). The ownership confusion needs to be addressed in order to move forward with effective results. When it comes to managing talent, leaders must take ownership with support from HR. Both have important roles, but ownership cannot be delegated to HR (Nagpal, 2013). This highlights the centrality of managers and leaders in managing talent, which will be explored further under the Management and Leadership section of this literature review.

The lament of poor talent management implementation is not limited to South Africa. A comprehensive Bersin by Deloitte study of organisations representative of Global 2000 organisations revealed that the majority of companies in all markets, including emerging markets such as China, India and Brazil, operate at low levels of talent management maturity and are not realising the business and talent advantages of more mature talent management (Garr, Yoshida, Gantcheva & Wu, 2017). Those at the lower maturity levels focused more on individual talent practices such as talent acquisition, performance and leadership development, whilst high maturity organisations focus on the talent experience with individuals and their

relationship with the organisation being central to their strategy. Rather than a mechanistic collection of talent processes, successful organisations are employee-centred and intentionally design technology, processes and practices that can respond to employee feedback and build a talent experience that encourages an inclusive culture of growth, understanding, communication and engagement (Garr et al., 2017). This integrated, individualised approach can only be truly effective when supported by leaders and managers at all levels of the organisation. Without their support, talent processes degenerate into a mechanistic HR driven exercise.

### **2.1.3 From Talent Management to Talent Value Management**

In order to get better buy-in from leaders, HR practitioners need to be more focused on the hard benefits that emanate from the so-called soft talent strategies. Amidst the debates around the definitions, parameters, and effectiveness of talent management strategies, there is a growing trend of research and literature addressing the role of talent management in driving business value. Although talent management processes have always purported to be aligned to business strategy, the linkages between talent and hard top and bottom line value has been unclear (Development Dimensions International, The Conference Board and Ernst & Young, 2018). A number of authors are casting the spotlight on how to focus talent strategies in order to maximise stakeholder value (Barriere, Owens & Pobereskin, 2018; Pandey, 2017; Ulrich, 2016).

In an article, titled “Taking stock of your talent” Dave Ulrich (2016) examines the war for talent from an investor’s perspective and highlights how investor confidence and market value can be significantly impacted by demonstrating the value of an organisation’s talent, particularly the quality of its leadership (Ulrich, 2016).

According to Pandey (2017), more than 60% of all talent management processes and activities are overly admin intensive and not necessarily focused on driving true business value. He proposed the concept of “Talent Value Management” (TVM), which he defines as “a philosophy and process which ensures that key talent drives distinctive internal organisation capabilities which accelerate the achievement of certain business outcomes.” (Pandey 2017). Whilst most talent management processes involve some steps in which key or critical roles are identified, there is seldom a robust process to identify these roles and this step is often rushed as leadership teams mistakenly assume that the more senior roles are the most critical roles

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

(Barriere et al., 2018). Pandy (2017) sets out a process for leadership teams to unpack desired business outcomes, to identify the distinctive internal organisational capabilities required to deliver on those outcomes and then to identify the critical roles instrumental in developing those capabilities and delivering the business outcomes. Once this process is complete, key talent is mapped to the critical roles and a tailored development process follows.

A recent article in the McKinsey quarterly titled “Linking Talent to Value” articulated a similar message, namely the need to unpack where true value opportunities lie in a business, identify the roles responsible for unlocking that value and rapidly deploy top talent to those roles (Barriere et al., 2018). Unlike Jim Collins’ strategy of “first who, then what” in the book *Good to Great* (2001), McKinsey and Pandy both assert the need to identify the ‘what’ first through a rigorous process of determining value opportunities and capabilities required to capture that value and only then allocate and deploy top talent with the identified capabilities and characteristics to those roles. Companies with the ability to constantly identify the value ‘hotspots’ and the agility to allocate talent in real time to the right roles are better able to drive organisational, shareholder and individual value (Barriere, Owens & Pobereskin, 2018; Pandy, 2017; Ulrich, 2016).

### **2.1.4 Conclusions from Talent Management Research**

The research discussed leads to the following conclusions regarding the state of talent management, particularly in South Africa today. Firstly, there is little consistency in the definitions and scope of the field although patterns are emerging that articulate the functional areas of the domain, the integral nature of the associated talent processes and the importance of developing a talent mind-set across all levels and functions of the organisation and ensuring that leaders take ownership of talent. Secondly, although there is consensus on the importance of talent management, research demonstrates a dismal performance scorecard in its application both locally and internationally. This could be largely due to the ambiguity around its scope and application, immature or redundant talent practices and the failure of leadership to take up their talent management roles resulting in talent management degenerating into a complex set of admin intensive HR processes. Thirdly, in the wake of the widespread failure of talent management to live up to expectations, there is an emerging trend in both research and business practices of re-focusing talent management efforts towards more directed, measurable organisational value drivers. Although the concept of HR alignment with and contribution to

business strategy is not new, there is a movement towards talent value management (Pandy, 2017) and the imperative of identifying value opportunities, developing the organisational capabilities required to capture those opportunities and moving with speed and agility to deploy and manage talent to realise the identified value.

### **2.2 Work Environment**

For decades, researchers have explored the motivations of employees in the work setting, and much of the research has focused on how individuals experience various aspects of their working environment. Poisat, Mey and Sharp (2018) define working environment as the conditions in which an employee operates, their roles and responsibilities, whether sufficient authority is given to employees to make and implement decisions about their work and the nature of their working relationships (Poisat, Mey & Sharp, 2018).

There are three main areas of research relevant to this view of work environment, namely person-environment fit, job design theory and selected motivational theories. These concepts are further investigated in the following section.

#### **2.2.1 Person-Environment Fit**

Research conducted over the last century established person-environment fit (P-E) as a complex antecedent of both organisational and individual outcomes (Follmer, Talbot, Kristof-Brown, Astrove & Billsberry, 2018). Caplan (1987) identified that organisations and their members have a fundamental interest in how well the characteristics of the person and the environment of the organisation fit one another and proposed one of the earlier person-environment fit theories (Caplan, 1987). Since then, a significant body of research developed, which examined different elements of person-environment fit such as person-job (P-J) fit, person-organisation (P-O) fit, person-team (P-T) fit and person-supervisor (P-S) fit (Chuang, Shen & Judge, 2015; Follmer et al., 2018; Lee et al., 2017). The working environment is therefore a multi-dimensional construct which must be examined at an organisational, team and individual level. Person-environment fit studies found strong correlations between various elements of person-environment fit and individual outcomes such as flourishing, wellness and job satisfaction (Chuang et al., 2015; Janse van Rensburg, Rothmann & Diedericks, 2017; Pfeiffer, Brusilovskiy, Davidson & Persch, 2018) as well as organisational outcomes such as performance, turnover intentions, organisational citizenship behaviour, and organisational



## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

commitment (Chuang et al., 2015; Lee et al., 2017; Redelinghuys & Botha, 2016). The concept of fit with all aspects of the working environment is therefore critical for both individuals and organisations since there are great benefits to getting it right as well as significant costs involved in getting it wrong.

A recent study investigated the responses of employees who considered themselves misfits at work. They found that employees would either attempt to resolve the misfit by exiting the business or alternatively attempting to adjust either the environment or themselves to attain fit. When resolution through exit or adjustment was not possible, they sought relief either through making changes in their outward behaviour to create the appearance of fit or by focusing on areas of stronger fit to buffer areas of perceived poor fit. The third strategy would be resigning themselves to the reality of the misfit either through cognitively distancing themselves from work and work identity or reframing the misfit as resulting from something negative in the organisation and positive in themselves (Follmer et al., 2018).

The benefits to both individuals and organisations of achieving strong person-environment fit and avoiding the adverse consequences of misfit are thus clearly demonstrated by empirical research and the role of leadership behaviour in creating a sense of fit and alleviating the impact of misfit has been established (Redelinghuys & Botha, 2016). However, one of the most commonly used tools for determining fit is psychometric assessments upon selection. A South African study found that the primary reason for the use of personality assessments in staff selection was to determine person-environment fit (Fakir & Laher, 2015). The extent to which selection assessments provide a balanced view of person-environment fit has been questioned. Werbel and Johnson (2001) found that the majority of assessment approaches are based on person-job fit and more attention should be placed on person-group fit and person-organisation fit. They maintained that traditional job analyses focusing on matching individuals to the requirements of the job neglected other factors instrumental in attaining a person-environment fit (Werbel & Johnson, 2001).

**Fit as a critical construct of diversity and inclusion.** No discussion around person-environment fit, particularly in the South African context is complete without considering the impact of diversity on an individual's ability to fit into and feel at home or included in the working environment. As argued in a recent Deloitte article, diversity without inclusion is simply not good enough and one of the critical components of inclusion is a sense of being valued and belonging which aligns to the concept of person-environment fit (Bourke & Dillon,

2018). Person-environment fit is one of the foundational theories in the study of diversity in the workplace (Ho, 2007). Where the dominant corporate culture has been shaped by a particular age, race or gender group, people from diverse backgrounds will find it difficult to assimilate, particularly into the informal networks that are an unseen, yet key enabler of success and fit (Meyer 2016; Molefi, 2017). Therefore, South African organisations need to critically evaluate the extent to which their cultures, informal networks and ways of working are enablers or barriers to allowing people from diverse backgrounds to fit in. The importance of assessing for group and organisational fit were discussed above, but in the South African context, the focus needs to be on both finding people who fit our team and organisational cultures as well as on identifying and addressing those aspects of our organisations that make it difficult for people of diverse backgrounds to fit in.

Provision for this has been legislated in South Africa. Section 19 of the Employment Equity Act (Employment Equity Act, 1998) requires organisations to conduct a qualitative analysis of potential barriers for designated groups in terms of policy, procedure or practice. However, the slow pace of progress (Commission for Employment Equity, 2018) suggests that these exercises may often be cursory, compliance-driven exercises and fail to uncover deep underlying issues such as informal power networks, unspoken cultural practices and unconscious biases that make it difficult for members of designated groups to fit in and connect with their peers, their managers, their teams and the broader organisation. A deeper understanding of diversity and inclusion and the drivers of person-environment fit is therefore imperative, and organisations need to formulate and implement aligned employment equity and talent management strategies that facilitate a greater degree of fit for all (Bourke & Dillon, 2018).

### **2.2.2 Job Design Theory**

Whilst person-environment fit theory covers the important concept of fit at all levels, the way in which jobs are designed has an important impact on an employee's experience of his or her work environment. Hackman and Oldman (1975) explored how motivation and satisfaction could be increased through enriched job design and their job characteristics model demonstrated how jobs differ according to five core job dimensions. These dimensions include:

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

- Skill variety: The extent to which the job requires the worker to use different skills and talents.
- Task identity: The degree to which a worker is able to complete and identify with a whole piece of work.
- Task significance: The extent to which the work is important and impacts the life or work of others.
- Autonomy: The degree of freedom, independence and discretion in going about the work.
- Feedback on the effectiveness of performance (Phillips & Gully, 2014).

These characteristics determine the motivating potential of the role. It is termed motivating potential, since it recognises that different people have different wants and needs with some preferring simpler, less demanding roles, and others preferring more challenging roles where they can learn and grow. Hackman and Oldman referred to this as growth need strength and suggested that a good match between the characteristics of the job and the growth need strength of the individual would result in the psychological states of experienced meaningfulness of work, experienced responsibility for the outcomes and knowledge of results. These states in turn increase job satisfaction, motivation and performance (Hackman & Oldham, 1975). Their study has been pivotal in influencing the design of work in the past four decades, but some have questioned its relevance in the changing world of work (Parker, 2003). A 2016 study found that on average, workers now experience greater levels of skill variety and autonomy, but the extent of the relationship between the five core job dimensions and job satisfaction remains the same indicating the continuing relevance of this theory (Wegman, Hoffman, Carter, Twenge & Guenole, 2016)

### **2.2.3 Motivational Theories Related to Work Environment**

In addition to exploring the concepts of person-environment fit and job design theory, in understanding how employees experience their work environments, it is important to consider the concept of motivation. There are numerous theories of motivation including both process and content motivational theories that offer varying explanations as to what motivates employees and how they are motivated or demotivated. Whilst this is not intended as an exhaustive coverage of motivational theory, the following three theories provide perspectives relevant to this study.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

**Maslow's hierarchy of needs theory.** Maslow categorised human needs into five basic groups namely physiological, safety, social, esteem, and self-actualisation. He maintained that people would be motivated to first meet their lower order needs and that as each need is satisfied, it ceases to motivate as individual's move higher up the ladder towards self-actualisation. In terms of this theory, organisations need to understand where individual employees fall on the needs hierarchy in order to employ relevant motivational techniques (Phillips & Gully, 2014).

**Alderfer's ERG theory.** Alderfer modified Maslow's theory and proposed three groups of individual needs, also hierarchical in nature, namely existence needs, relatedness needs and growth needs. Existence needs refer to the desires for physical and material well-being generally brought about by salary, benefits, and working conditions. Relatedness needs include desires for respect and relationships with others, whilst growth needs reflect a desire to make a meaningful contribution and opportunities for development. Like Maslow, Alderfer maintained that people progress from existence to relatedness to growth level needs as each level is satisfied (a process he termed satisfaction progression), but also suggested that if needs were frustrated at a certain level, people would regress to focusing on meeting lower order needs; he termed this frustration- regression (Bagraim, 2011).

**Hertzberg's Two-Factor Theory.** Hertzberg distinguished between what he termed motivators and hygiene factors. Motivators included the work itself (which can be related to Hackman and Oldham's job characteristics model), advancement, achievement, responsibility, growth, and recognition. Hygiene factors or maintenance needs are those factors not necessarily viewed as a source of motivation but necessary for the prevention of dissatisfaction and demotivation (Bagraim, 2011). Hygiene factors include pay and working conditions. The role of pay as a motivator versus hygiene factor in an emerging market context is discussed in further detail under section 2.3, Rewards.

### 2.2.4 Conclusions Regarding Work Environment Research

The above research highlights that the work environment is a multi-faceted construct and that the nature of the outcomes for both individuals and organisations is dependent on the degree of fit between what jobs, teams and organisations provide and the needs, motivations and characteristics of individuals in the workplace.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

It is therefore, important for leaders to seek a greater appreciation of the diverse motivations, needs and characteristics of their people and to fully understand the extent to which these are being met by the organisational environment. With a diverse workforce, the concept of fit is critical and a one-size-fits all approach is no longer appropriate if businesses are to attract, grow and retain more diverse organisations.

### 2.3 Rewards

Rewards are a critical component in understanding the fit between individual needs and motivations and what the organisation provides. This section reviews how the definition of reward has broadened over the years, some key research demonstrating the impact of reward strategies and what components are deemed most important in South Africa and beyond.

#### 2.3.1 From Base Pay to Total Rewards

Historically, HR practitioners focused primarily on the science behind the setting of basic pay levels and pay for performance schemes. The inclusion of benefits such as medical and retirement funding expanded this field and researchers and practitioners started moving from the concept of “compensation and benefits” to “total rewards”, which provided a more integrated approach to the different types of rewards sought and provided in the employment exchange relationship (Snelgar, Renard & Venter, 2013). These frameworks focused on cash salaries, pay for performance schemes and insured benefits, and on more intangible rewards such as job security, social connectedness and growth and development opportunities (Barringer & Milkovich, 1997). If this changing focus is viewed in terms of Maslow or Alderfer’s theories, it can be said that reward practitioners have set their sights not just on the physical or existence foundations of the respective hierarchies, but on higher order motivational needs.

Today, the global reward organisation World at Work, advocates a total rewards model which identifies six components that collectively comprise an organisations strategy to attract, motivate, retain, and engage employees ("Total Rewards Model", 2018). These components of compensation, benefits, work-life effectiveness, recognition, performance management and talent development are explained in Table 2.1.

Table 2.1: *World at Work (2018) Total Rewards Model*

<b>Compensation</b>	Pay for services rendered. Includes both fixed and variable pay linked to performance levels.
<b>Benefits</b>	Programs used to supplement the cash compensation including income protection, savings, medical care and retirement programs which provide security for employees and their families.
<b>Recognition</b>	Formal or informal programs to acknowledge and reinforce employee actions, performances or behaviour that contribute to organisational success.
<b>Work-life Effectiveness</b>	A set of organisational practice, policies and programs aimed at helping employees be successful both at work and at home.
<b>Performance Management</b>	Alignment of organisational, team and individual efforts towards the achievement of organisational goals. It includes expectation setting, assessment, feedback and continuous improvement.
<b>Talent Development</b>	The opportunities and tools for employees to grow their skills and advance their careers.

### **2.3.2 What Rewards Matter Most?**

International research demonstrates a shift in focus from monetary reward strategies to more intangible rewards (Corporate Leadership Council, 2015), yet a variety of South African based studies show that monetary rewards, particularly basic salary, remain the most important factor for both attraction and retention amongst employees across generational cohorts (Bussin & Thabethe, 2018; Bussin & van Rooy, 2014; Pregnolato, Bussin & Schlechter, 2017; Snelgar et al., 2013).

A study across 11 medium-sized South African organisations indicated base pay to be the most preferred reward component amongst respondents but also revealed that this was the aspect with which they were the most dissatisfied (Snelgar et al., 2013). Research conducted in a South African financial institution found that monetary components of reward were the strongest drivers across all generations (Bussin & van Rooy, 2014) and these findings were confirmed in a recent study in the media industry, which also found that base pay is the most preferred and/or significant reward category in attracting, retaining, and motivating employees (Bussin & Thabethe, 2018). Similar findings were made in a Ugandan study where 60% of respondents ranked monetary rewards as the most important job factor (Mikokoma, 2008).

These findings could thus question Herzberg’s two-factor theory which maintains that monetary rewards such as base pay are not motivators, but merely hygiene factors. The

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

research evidence demonstrating the pre-eminence of cash relative to other benefits, particularly in developing countries, could be as a result of the socio-economic context (Mukokoma, 2008) and an indicator of the greater workforce's position on the needs hierarchy with physical (Maslow) or existence (Alderfer) needs still largely unmet amongst the majority of employees.

Other factors, secondary to monetary rewards, found to be important to South African employees, included career advancement, learning opportunities, and work-life balance (Pregolato et al., 2017). A notable exception to the research finding monetary rewards as the most important factor was a study of South African artisans where work-life balance was found to be the most important factor in artisan attraction and retention (Schlechter, Faught & Bussin, 2014).

Other studies from across the world also revealed the growing importance of work-life balance. Research conducted amongst 46 981 tertiary students and 22 321 millennial professionals found work-life balance as the most important career aspiration followed by challenging work, stability, and security in their jobs (Greve & Jacobs, 2017). A Corporate Leadership Council study on global workforce practices revealed that although compensation is still the biggest attraction factor across the globe, it is diminishing in importance and in markets such as Australia, India, the United Kingdom and South East Asian countries, work-life balance surpassed compensation as the primary driver of attraction. Other high-ranking attraction drivers across the globe include stability and respect. Despite compensation still being the biggest overall attraction factor globally, the same study found future career opportunities to be the highest driver of attrition with more employees leaving for better career prospects than for better compensation (Corporate Leadership Council, 2015).

### **2.3.3 Conclusions from Reward Research**

Regardless of whether considered a motivating factor or a hygiene factor, monetary rewards matter a great deal, particularly in the South African context. However, there are other components of the total rewards framework that also play an important role. Since pay and benefits comprise the biggest operating cost in most industries (Bussin & Toerien, 2015), it is critical that employers understand the value that employees place on each component, their perceived effectiveness in meeting their expectations, and how these drive organisational commitment and retention.

### 2.4 Leadership and Management Styles

No matter how well HR talent processes and practices are designed, they will never replace high-quality leadership (Meyer, 2016). The saying that employees join an organisation but leave a boss (Buckingham & Coffman, 1999; Phillips & Connell, 2003), points to the importance of understanding the impact of leadership and management styles on organisational commitment and retention. A global study indicated that people management hardly factored as an attraction driver but was the third largest driver of attrition after career opportunities and compensation showing that people do indeed leave bad bosses (Corporate Leadership Council, 2015).

The topics of leadership and management, in both academic and non-academic settings, are undoubtedly the most prevalent in terms of research, publications, conferences, training programmes, and general dialogue. A Google search of “management and leadership” yielded over 24 million results. According to Veldsman and Johnson (2016), the current fierce debate concerning leadership and leadership excellence (or lack thereof) may be one of the most important issues of our present time. The clarion call for better and different leadership, is clear. Old recipes and conventional ways of leading will no longer suffice and our future is predicated on the quality of our current leadership, which will either make us architects or victims of the future (Veldman & Johnson, 2016). This is true at all levels, from our global leaders to front-line leadership in the workplace.

The importance and impact of management and leadership for both individuals and organisations has been the subject of numerous best-selling management books.

In the research culminating in his book, *Good to Great*, Jim Collins found that the key distinguishing factor of great companies was what he termed “Level 5 leaders”, namely leaders who exhibited a paradoxical blend of humility and strong professional will (Collins, 2001). Daniel Goleman popularised the concept of emotional intelligence and articulated the importance of emotional intelligence competencies within the clusters of self-awareness, self-regulation, social awareness, and interaction skills. He highlighted the centrality of emotional competence particularly in leadership roles where relational skills underpinned by the ability to understand and manage both oneself and others are paramount (Goleman, 1998). Buckingham and Coffman’s book, *First break all the rules* (1999), detailed the results of Gallup’s research regarding what the world’s greatest managers do differently. Their main



## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

finding was that great managers recognise that each person is unique and motivated differently and make the effort to discover their strengths and capitalise on them. They get to know their staff, understand their unique strengths and passions and then motivate and develop them accordingly (Buckingham & Coffman, 1999). Their engagement survey known as the Q12 has been used throughout the world by organisations in order to understand and increase employee engagement.

In a recent South African study, findings indicated that authentic leadership has a significant influence on psychological capital and psychological climate resulting in a positive impact on organisational commitment and retention (Munyaka, Boshoff, Pietersen & Snelgar, 2017). Another South African study found that participants, regardless of gender or race, were generally unsatisfied with their remuneration, but that transformational leadership played a mediating role in the relationship between satisfaction with remuneration and intention to stay (Shabane, Schultz & Van Hoek, 2017).

The evidence of the importance of good management and leadership is overwhelming and at its most basic level, given the research above, it can be argued that leaders are instrumental in helping employees achieve their work needs, particularly the higher order needs for relatedness and growth. According to Alderfer's ERG theory's concept of frustration-regression, if higher order needs are not met, individuals will attach greater importance to lower order needs. When this is considered in the light of research demonstrating the importance that South Africans give to monetary rewards (an existence need), it could be hypothesised that the failure of leadership to address the higher order growth and relatedness needs has led to frustration and regression to existence needs. In other words, could poor leadership be the reason why money is deemed so important?

The fields of management and leadership are complex but understanding the specific management and leadership behaviours that South African employees across the demographic spectrums prefer as well as the extent to which the absence or presence of these in their organisation drives commitment and retention is key to developing leadership skills tailored to the needs of a changing South African workforce.

### 2.5 Retention

With the growing trends of shorter organisational tenures fuelled by global and national scarcities of certain critical skills, more and more businesses are turning their attention to

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

strategies to enhance employee retention. Talent retention forms a key component of most talent management strategies and frameworks (Bluen, 2013; Meyer 2016; Meyer, 2018). In South Africa, despite national unemployment levels of approximately 27% (Quarterly Labour Force Survey Q1, 2018), turnover amongst knowledge workers has been found to average around 22% with the rate being even higher amongst black professionals and knowledge workers (Khoele & Daya, 2014). A study titled “Job hopping amongst African Black senior management in South Africa” found that African Black senior managers do not trust organisations with their career development and prefer to take control of their own career development by moving from organisation to organisation in order to build their repertoire of skills and competence (Nzukuma & Bussin, 2011). This trend is concerning for organisations wishing to attract and retain skilled equity candidates due to the considerable costs involved. Yet, it also offers valuable insight into the strategies required for addressing turnover amongst this cohort, namely developing trust in the organisation’s commitment and ability to provide career development.

### **2.5.1 The Cost of Turnover**

Studies on the financial costs of turnover range from 30% - 50% of annual salary for entry level workers to 200% of annual salary for middle managers, but many employers do not have an accurate view of the true costs of turnover (Phillips & Connell, 2003). Some costs are relatively easy to calculate, such as direct departure/exit costs and replacement costs. These however, are usually merely the tip of the proverbial iceberg since the true costs are usually hidden in the costs associated with orientating and training new appointees and most significantly in the business consequences of turnover such as lost intellectual capital, work disruption, lost productivity and customer dissatisfaction (Phillips & Connell, 2003).

### **2.5.2 Retention and Turnover Drivers**

In order to address retention, its numerous drivers must be understood. According to Phillips and Connell (2003), voluntary turnover is directly related to the intention to leave, which in turn is driven by job satisfaction, organisational commitment, job embeddedness, job alternatives, and job search behaviour. Reference has already been made in this paper to studies determining causal relationships between intention to leave or retention and leadership (Munyaka et al., 2017; Shabane, Schultz & Van Hoek, 2017), person-environment fit (Chuang et al., 2015; Janse van Rensburg, Rothmann & Diedericks, 2017; Redelinghuys & Botha,

2016), monetary rewards (Bussin & Thabethe, 2018; Bussin & Toerien, 2015; Pregnolato et al., 2017; Snelgar et al., 2013) and work-life balance (Schlechter et al., 2014). Furthermore, global studies indicated that when joining an organisation, new employees are not particularly influenced by “people” drivers, but rather that these factors constantly feature among the top five reasons why employees leave their current organisations (Corporate Leadership Council, 2015).

### **2.5.3 Is Loyalty Dead?**

Not all turnover is necessarily bad, and some recognised that due to market dynamics, it cannot be stemmed completely. Cappelli (2000) proposed that the concept of loyalty to organisations was dead. He argued that in the past, organisational retention could be compared to tending a dam wall keeping employees in place, but that it had become more comparable to managing a flowing river with retention activities controlling to a limited extent the direction and speed of exits. He maintained that turnover was inevitable, but HR could influence who leaves and when, by offering sign-on and retention bonuses, scarce skills allowances, reviewing job design and relying on social ties with team mates in order to retain people in organisations, whilst they were needed (Cappelli, 2000). This approach has been widely adopted in organisations with monetary rewards being used as incentives to lure employees and retention bonuses being used as a form of golden handcuff. However, these strategies fall short in generating true commitment and underplay the criticality of the relational and growth roles that leaders play in retaining employees. In the book *Love ‘em or Loose ‘em: Getting good people to stay*, Kaye and Jordan-Evans (2014) clearly articulate the growing realisation in business today that loyalty is not dead and that truly effective leaders use a “love ‘em” approach to build loyal, committed, productive teams that cannot be enticed away by a 10% increase or a gym membership. Through building strong, individualised, caring relationships and enabling employees to perform and grow, great leaders cause employees to love their jobs, their teams, their bosses, and their companies and this is the glue that retains (Kaye & Jordan-Evans, 2014).

There is no one-size-fits all approach to retention since individuals differ significantly. However, research is clear that retention strategies need to consider critical drivers such as the quality of leadership, working environment, and reward and that these drivers may differ from employee to employee. The specific elements of these drivers and the degree of their influence on retention are therefore the subject of this research study.

### 2.6 Generational Cohorts and Race

Desmond Tutu popularised the term “the Rainbow Nation”, which refers to the diverse nature of the South African population (Buqa, 2015). The term “rainbow” referred primarily to South Africa’s racial diversity, but it is imperative to also recognise other elements of diversity such as gender and age which are a factor in our society and subsequently our workplaces. Since South Africa has such a diverse workforce and organisations still have a long way to go in ensuring that their workforce demographics reflects that of our country at all levels and functions (Commission for Employment Equity, 2018), a one-size fits all approach to talent management practices is inappropriate. Leaders need to understand the different expectations, motivations, and experiences of both current and prospective employees across all cohorts.

#### 2.6.1 Generational Cohorts

There is a significant body of research analysing the differences based on age, or generational cohorts. A generation can be defined as “an age cohort that shares unique formative years’ experience and teachings and thus develop unique core values and attitudes that are different from other generations” (Underwood in DelCampo, Haggerty, Haney & Knippel, 2011).

Although there are differences in the exact years dividing the groups, in the global context the workforce is stratified into four different categories on the basis of date of birth. The oldest living generation was born between 1925 and 1945 and grew up in the Great Depression or World War II. These are most commonly referred to as the GI generation and are also known as Traditionalists or the Silent generation. They were shaped by the austerity of their era and value thrift, conformism, obedience, and loyalty. Since the youngest of this generation would now be aged around 73, there are very few left in the workforce. The next generation was born in the post World War II era between 1946 and 1964 and are known as the Baby Boomers. They are currently aged between 54 and 73 and represent the oldest, current generation in today’s workforce with many already retired. They value creativity, tolerance, innovation and are known to be workaholics. Generation X, born between 1965 and 1980, grew up in the counter-culture movements of the 1960s and 1970s and value individualism, flexibility and work-life balance. The youngest generation born after 1982 known as Generation Y or millennials are seen to value moralism, confidence, environmental consciousness and leisure (DelCampo, Haggerty, Haney & Knippel, 2011; Phillips & Gully, 2014).

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Empirical studies into these respective groupings found that the younger groups placed more value on status and freedom work values, whilst the Baby Boomers reported a better person-organisation values fit with extrinsic values and status values than the younger generations (Cennamo & Gardner, 2008). A South African study investigating generational differences in motivational and reward preferences found more similarities than differences between the generations. All generations were unanimous that their most important reward preferences entail their monthly salary and reward. Generation Y prefers flexible working arrangements and an investment in their ongoing learning and development significantly more than Baby Boomers and indicated preference and value for work-home integration more than Baby boomers (Close, 2015)

Although these generational categories are widely used throughout the world, they are strongly influenced by events shaping the Western world, specifically America. It could be argued that World War II, the 1960's counter culture, the Cold war and the fall of the Eastern block signified as the key formative aspects of the respective generations were not the dominant social forces influencing the majority of South Africans in the twentieth century. Mattes (2011) proposed five distinct political generations in South Africa characterised by major historical disjunctures, which sharply distinguish it from surrounding eras (Mattes, 2011). These are listed in Table 2.2. Although the social forces that shaped South African generations were significantly different to the ones referred to globally, the age groupings are similar, especially for the three youngest generations that are currently active in the workplace. Therefore, in South Africa Generation Y are known as the Born Frees, Generation X is the Struggle Generation and the Baby Boomers are the Grand Apartheid generation. See Table 2.2 for a comparison between the two categorisations.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Table 2.2: *Global Generational cohorts vs South Africa's Political generations*

Generally accepted Generational Cohorts (Dominated by American world view)			South Africa's Political Generations		
Name	Born	Key formative issues & events	Name	Born	Key formative issues and events
<b>GI Generation</b>	1925	Great Depression	<b>Pre-Apartheid generation</b>	Pre 1932	<i>Reached 16</i> pre 1948
	1945	World War II		<b>Early-Apartheid generation</b>	1932 – 1944
<b>Baby-Boomers</b>	1946 – 1964	1960's counter culture movement	<b>Grand Apartheid generation</b>	1945 - 1960	Implementation of radical apartheid policies e.g. forced removals, bantu education
		Vietnam war, Kennedy assassination			
<b>Generation X</b>	1965 – 1980	The Cold War	<b>Struggle generation</b>	1961 – 1980	Rise of Black consciousness movement
<b>Generation y</b>	1980 onwards	Internet Fall of eastern block	<b>Born Free generation</b>	1981 onwards	The generation to have reached voting age on or after 1994 elections

Adapted from DelCampo et al. (2011) and Mattes (2011)

### 2.6.2 Race

Although diversity includes a number of aspects, race remains one of, if not the most, emotive aspect of diversity in South Africa (Molefi, 2017). Mattes (2011) asserts that rather than re-drawing the country's main cleavages along lines of age and generation as in post-war Germany, the key fault lines of apartheid have been replicated in post-apartheid South Africa with socio-economic distinctions still largely based on race (Mattes, 2011).

Since the dawn of our democracy a number of significant law reforms have been initiated starting with attempts to achieve greater social justice and redress unfair discrimination through the Labour Relations Act of 1995 and The Basic Conditions of Employment Act of 1997 (Booyesen, 2007). The Employment Equity (EE) Act of 1999 (also amended in 2004) was intended to bring equity to South Africa's labour market through requiring organisations to

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

address the barriers to previously disadvantaged groups (namely non-whites, females and disabled persons) and to set and meet numerical targets more reflective of regional and national demographics across all organisational levels. Recognising the shortage of skills and access to education amongst previously disadvantaged groups as a significant barrier, the Skills Development Act of 1998 and the Skills Development Levies Act of 1999 marked the onset of a complex framework of skills development aimed at enabling and incentivising organisations to invest in meaningful development programs. This was followed by the establishment of the Broad-Based Economic Empowerment Commission in 1999 and its strategies to accelerate Black representation in management and Black ownership of businesses (Booyesen, 2007).

However, despite this legislation and twenty-four years of democracy, our workplaces are not yet representative of our demographics at every level. The 2018 commission of equity report indicated that the majority (68.5%) of top management positions were occupied by Whites, compared to only 14.4% occupied by the African population. More than three quarters (78%) of these positions are occupied by males, with females only taking up 22% of the positions, which indicates that transformation objectives have not yet been achieved (Commission for Employment Equity, 2018).

The need to address racial imbalances and develop more diverse and inclusive workplaces must therefore be a top priority on the talent management agendas of South African organisations. Research showed that a lack of communication and understanding of employment equity, White male dominated organisational cultures, poor leadership commitment and inconsistency in Employment Equity implementation, are major barriers to effective EE implementation and retention of black employees (Booyesen, 2007). The issue of addressing racial imbalances therefore goes far beyond recruitment practices, and must be built into every facet of talent management

### **2.7 Conclusions from Literature review**

This literature review explored the practice and effectiveness of talent management in South Africa and beyond and examined the constructs of work environment, rewards, management and leadership and retention that are often the focus of and intended outcomes of talent management strategies. Throughout this review, the following themes emerged.

Firstly, there is a considerable gap between the lofty intentions and designs of talent management strategies and how they are experienced by the very employees they are targeted

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

at. This can be attributed partially to both the misalignment to true value drivers and leadership's failure to take up their critical roles in implementing talent management strategies. The notion that HR is the primary manager of talent must be dispelled. HR should play a critical role in shaping and interpreting business strategies and developing talent management strategies, tools and capabilities, but talent management remains every leader's role and in successful organisations, leadership truly owns, nurtures and develops their talent.

Secondly, the proverbial pot of gold is still only on one side of the South African rainbow. Despite over 20 years of democracy and significant restorative labour law reforms, South African organisations have not achieved the desired levels of diversity and inclusion. The largely futile chasing of employment equity targets has led to strong competition for a relatively small group of skilled equity candidates leading to high levels of turnover. Many organisations are yet to adequately address the barriers to inclusion and adopt measures to actively shape a work environment conducive to allowing everyone to fit in at individual, team and organisational levels. Furthermore, many have still not actively developed and nurtured a strong, diverse talent pipeline.

Thirdly, money talks. Numerous studies found that in most instances, the aspects of total reward reported as the most important or motivating factor are monetary rewards including basic salary and other cash payments. Whilst internationally, preferences are moving towards other reward elements such as career growth and work-life balance, according to South African studies, cash is still king. This indicates that South Africans are still on the lower end of the needs hierarchies or that higher order needs for relatedness and growth may have been frustrated driving a regression to focus on the lower order existence needs. It also calls into question the relevance in the South African context of Herzberg's categorisation of money as a hygiene factor and not a motivator.

The last and most pervasive theme emerging from this review is the impact of leadership or the lack thereof, on the effectiveness of talent management strategies. Leadership is a golden thread that either binds or unravels these strategies and is pivotal in their successful implementation. The research demonstrated the impact of leadership on how employees experience their work environment, what rewards they value, how committed they are and whether they intend leaving the organisation or not.

Organisations therefore need carefully constructed talent strategies that will provide a diverse, capable, committed and motivated workforce, both for the present and the future. A



## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

critical component of this strategy must be to build management and leadership capacity and capability at all levels. It is key to effective talent strategy execution and as former CEO of Allied Signals, Larry Bossidy famously said: “At the end of the day, you bet on people, not strategies” (Bossidy, Charan & Burck, 2002).

## CHAPTER 3: METHODOLOGY

### 3.1 Chapter Preview

This chapter outlines the methodology employed in answering the research questions of this study. The research approach and design, sampling method, participants, research instruments, and data processing and analysis techniques are discussed and the ethical considerations reviewed.

### 3.2 Research Questions

Based on the literature review, the following main and sub-questions were set for this study:

**Main Question:** How effective are talent management strategies in driving retention in South Africa?

The sub-questions in support of the main question are:

**Question 1:** What is a fit for purpose talent management strategy for a diverse, emerging economy?

**Question 2:** Which aspects of talent management are the most important to South African employees?

**Question 3:** To what extent are expectations around these aspects (importance ratings) being met by employers?

**Question 4:** Which aspects are the strongest drivers of retention?

**Question 5:** Are there any significant differences based on age, ethnicity or gender?

The answer to Question 1 is found in the literature review and supported by the outcomes of this empirical study, whilst Questions 2 to 5 are answered through the empirical statistical analysis of the data.

### 3.3 Research Approach and Design

This study utilised a quantitative research approach using a non-experimental comparative research design. The quantitative approach emphasises quantification in the collection and

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

analysis of data. Its principle orientation remains empirical testing of theory, which is consistent with the approach of this study. Its epistemological orientation is rooted in the norms and practices of the natural sciences, specifically positivism and embodies an ontological orientation of objectivism (i.e. it views social phenomena as stable, observable, objective realities that can be measured) (Bryman & Bell, 2011).

The author's epistemological and ontological orientations are however, more interpretivist and constructionist in nature. It encompasses the view that social phenomena such as human motivations and behaviour, unlike observable physical phenomena in the natural sciences can be better understood by understanding the meanings or subjective interpretations of those involved (interpretivism) and that these phenomena and their meanings are constantly shaped through the interaction of the social actors (constructivism) (Bryman & Bell, 2011). Despite these views appearing on the surface to indicate a more qualitative approach, a quantitative approach was chosen because of the opportunity it gave to study a large sample size and the data collection tools and analysis methodologies were specifically designed to test individual motivations and experiences as well as how these may differ across various cohorts.

The design employed entailed a non-experimental, comparative design. Supporters of comparative designs hold that phenomena are better understood when comparisons can be made between two or more meaningfully contrasting cases (Bryman & Bell, 2011). In this study, individuals' motivations or needs were compared with their experiences across different facets of talent management and also compared across different racial, gender, and age cohorts.

### **3.4 Study Population**

The target population for this study comprised employees in South Africa across the full spectrum of racial, gender, and generational cohorts employed in both public and private sector organisations at all organisational levels including managerial, non-managerial and support and/or administrative employees. The profile of the participants is illustrated in Table 3.1.

### **3.5 Sampling Method and Respondents**

The respondents were identified by means of a non-probability snowball convenience sampling technique (Poisat, Mey & Sharp, 2018). A link to the on-line questionnaire was e-mailed to potential respondents. These respondents were requested to forward the link to their

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

contacts. This is a very useful technique for gaining high sample sizes, but since it is not random, the generalisability of results to the overall population could be questioned (Bryman & Bell, 2011). However, in this case, the method yielded a response that would not easily have been gained otherwise, and all ages, races, genders and sectors were adequately represented as illustrated in Table 3.1.

Table 3.1: *Demographic profile of respondents*

<b>Profile</b>	<b>Category</b>	<b>Total no of respondents</b>	<b>Category Count</b>	<b>Category Percentage</b>
Gender	Female	711	319	44,9%
	Male		392	55,1%
Age Profile	Baby Boomers (1946 -1964)	711	155	21,8%
	Gen X (1965 - 1980)		281	39,5%
	Millennials (1981 +)		275	38,7%
Ethnicity	African	711	288	40,5%
	Coloured (including Asian & Indian)		207	29,1%
	White		216	30,4%
Employment	Full-time	711	643	90,4%
	Part-time		68	9,6%
Employment sector	Private	711	450	63,3%
	Public		230	32,3%
	NGO		17	2,4%
	Other		14	2,0%

### 3.6 Data Collection Instruments

The data used for the study was collected by Poisat et al. (2018) via a self-administered survey. The components of the survey consisted of three separate questionnaires, namely biographical data, talent management strategies and talent retention. The talent management

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

questionnaire comprised three separate sections, namely talent attraction, rewards and benefits, and management styles and leadership preferences. These three questionnaires each consisted of two separate five-point Likert scales, namely A: importance and B: rating of current employer. The significance of having both rating scales for each question is that it allowed for analysis in the variations between rated importance or expectations and current employer ratings, or experiences with regard to each question or variable. The questionnaire used to measure Retention had a single five-point rating scale.

The following describes the details of the questionnaires as developed by Poisat et al. (2018) and formed the basis for this study. See Appendix 1 for the complete questionnaire.

### **3.6.1 Biographical Information**

In the biographical questionnaire, respondents had to select from a list of options on biographical items including gender, birth year range, province, ethnicity, employment type, age, sector, and marital status.

### **3.6.2 Talent Attraction Questionnaire**

The Talent Attraction scale comprised of 20 items based on the motivational aspects of the job characteristics approach, which was first developed by Campion and McClelland (1991). It comprised items relating to the nature of the job, for example, “sufficient authority to make decisions” and “challenging work”, the relational aspects of the working environment with questions such as “being encouraged to give my opinions and ideas” and “teamwork” as well as developmental opportunities such as “opportunities that will help me develop specialist skills” and aspects of financial security such as “job security” and “a good pension fund”.

### **3.6.3 Rewards and Benefits Questionnaire**

The rewards and benefits questionnaire comprised 28 questions covering reward and benefit practices from across the Total Rewards framework including monetary rewards, developmental opportunities and a variety of non-cash benefits.

### **3.6.4 Management and Leadership Preferences Questionnaire**

This questionnaire comprised 16 items detailing a variety of specific behaviours deemed indicative of an inclusive, engaging leadership style.

### 3.6.5 Talent Retention Questionnaire

The Talent Retention Questionnaire comprised 11 items specifically designed to measure both intentions to stay, for example “*I see a future for myself within my current company*” and intentions to quit such as “*I am actively looking for another job elsewhere*”. Unlike the other three questionnaires, the talent retention questionnaires had only one five-point Likert scale with one (1) representing strongly disagree to five (5) representing strongly agree (Poisat et al., 2018).

## 3.7 Data Processing

The data processing was performed by NMU statistical consultant, Carmen Stindt who used IBM SPSS 25 to analyse the data. The data from the survey was imported, cleaned and the biographical information analysed. The item scoring on the four intention to quit items of the retention scale was reversed to account for the negative phrasing of these items. Of the original 1130 responses, 711 were found to be complete with no missing data. The balance were excluded from the analysis. Since the sample size for Asians and Indians were too small for statistical analysis, they were grouped together with the Coloured respondents.

## 3.8 Data Analysis

The following section covers the descriptive statistics (biographical data) and inferential statistics employed in this study.

### 3.8.1 Biographical Data

Of the 711 respondents, 55.2% were male and 44.8% were female. The age profile was spread across the generations with Generation X comprising 39.5%, Millennials 38.7% and Baby Boomers 21.8%. In terms of ethnicity, the African group was the most represented at 40.5% of the study population, Whites representing 30.4% and mixed race and Asian 29.1%. The majority (90.4%) were in full-time employment with the remainder (9.6%) in part-time employment. Employment sectors represented were predominantly private (63.3%) followed by Public (32.3%), Non-Governmental Organisations (2.4%) and Other (2%). The demographic profile of the respondents is summarised in Table 3.1.

### **3.8.2 Inferential Statistics**

Table 1.1 in Chapter 1 provides an overview of the inferential statistics conducted in order to answer each of the research questions. Below are further details of each analysis conducted.

### **3.8.3 Exploratory Factor Analysis**

As described above, this study utilised three questionnaires to measure talent management strategies and one questionnaire to measure talent retention. The talent management questionnaires comprised a total of 64 questions (20 for talent attraction, 28 for rewards and benefits and 16 for management styles and leadership preferences). For each question on these three scales, respondents answered on two separate Likert-type scales, namely A: importance and B: rating of current employer. Therefore, for talent management strategies there were a total of 128 variables. In addition to this, the scale representing the dependent variable, talent retention comprised 11 questions. The Talent Retention scale had a single Likert-type scale. Subsequently, the data presented a total of 139 variables which would not be practical to analyse separately. Therefore, Exploratory Factor Analysis (EFA) was used. EFA is a multivariate statistical technique used for analysing the patterns of complex, multidimensional relationships in large datasets and is utilised to examine the underlying patterns or relationships for a large number of variables and to determine whether the information can be condensed or summarised into a smaller set of components or factors (Hair, Black, Babin & Anderson, 2014). In other words, EFA was used to condense the 139 variables in the study to a more manageable number of factors. Table 3.2 summarises the steps followed in conducting the EFA.

Table 3.2: Steps in EFA and Reliability testing process

			3 Talent Management 64 questions	Retention: 11 Questions	
Step	Tests used	Criteria	Dataset A: 64 x A Responses (Importance)	Dataset B: 64 x B Responses (Current ER rating)	Dataset C: Retention
<b>1) Test of Suitability of Data</b>	Bartlett's test of sphericity	p < 0.05	0.000	0.000	0.000
	Keiser-Meyer-Olkin measure of Adequacy	MSA > 0.5	0.923	0.957	0.893
<b>2) Factor Extraction</b>	Principle Axis factoring	Eigen >1 >3 items per factor	6 factors	6 factors	1 factor
<b>3) Factor Rotation</b>	Oblique Promax	Min 0.4 loading	Pattern Matrix: A	Pattern Matrix: B	Pattern Matrix: Retention
<b>4) Reliability testing of Factor Structure</b>	Cronbach's Alpha	>0.7	5 of 6 > 0.7	5 of 6 > 0.7	1 of 1 > 0.7

As illustrated in Table 3.2, three separate EFAs were run on this data. The first was on the A responses (importance) of the 64 questions of the talent attraction, rewards and benefits and management styles and leadership preferences questionnaires. The second EFA was on the B responses (rating of current employer) for the same 64 questions of these questionnaires and the third EFA was on the 11 questions of the Talent Retention questionnaire.

**Step 1: Testing suitability of data.** The first step in any EFA is to determine if the data is suitable for factor analysis. The most common tests used for this preparatory step are the Bartlett’s test of Sphericity and the Keiser-Meyer-Olkin test (KMO). The Bartlett’s test of



## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Sphericity tests for significance of correlation in the data. The test must show significance ( $p < 0.5$ ) in order to be suitable for factor analysis (Hair et al., 2014). In this case, significance ( $p = 0.000$ ) was found for each data set. The second suitability measure entails sample size. There are varying guidelines around minimum sample sizes for EFAs and it is important to test the adequacy of the size of the sample relative to the number of variables measured (Hair et al., 2014). The Keiser-Meyer-Olkin test (KMO) index ranges from 0 to 1, with 0.5 considered suitable for factor analysis. KMO indices of 0.923, 0.957 and 0.893 were found for the three data sets examined, and thus indicating that it is a more than adequate sample size.

**Step 2: Factor extraction.** Once suitability of the data for EFA had been determined, the factors for each dataset were extracted using the Principal Axis Factoring method. According to Hair et al. (2014), there is no single criterion used in determining how many factors to extract, although researchers generally start with some pre-determined theoretically based criteria combined with some empirical measure of the factor structure. In this study, the criteria were set at a minimum of three items per factor and Eigen values of greater than one. As a result of this process, six factors were extracted for the data-set A (importance ratings), six for the data set B (ratings of current employer) and a single factor was extracted for the Retention data-set.

**Step 3: Factor rotation.** In order to analyse the factor structure, the factors were rotated using the oblique Promax factor rotation method. A minimum factor loading was set at 0.4 since this is considered a practically significant level to interpret the factor structure. The rotations revealed pattern matrices for each data set which indicated which questions had loaded on each factor. The question loadings were checked against the theoretical constructs of the study and labelled (see Table 3.3). All except for two factors were consistent with the theoretical underpinnings of the study.

**Step 5: Reliability testing of the factor structure.** The internal consistency or reliability of all the factors that emerged from the EFA was tested using Cronbach's alpha which is a reliability coefficient designed to assess the internal consistency of the items within each factor. The rationale for internal consistency is that individual items in a factor should all be measuring the same construct and therefore be highly inter-correlated. The generally accepted lower limit for Cronbach's alpha is 0.70, although this can decrease to 0.6 in exploratory research (Hair et al., 2014). Of the 13 factors, three had Cronbach's alphas of above 0.9 and seven were between 0.8 and 0.9. Of the remaining, one was above the generally accepted lower limit at 0.761,

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

whilst two fell below this limit with coefficients of 0.683 and 0.624. It was these two factors with lower reliability that were not found to support the theoretical underpinnings since the nature of the questions loaded were quite diverse in content and could not be said to be measuring the same theoretical construct. These two factors were therefore eliminated. A summary of the factor structure is illustrated in Table 3.3.

Table 3.3: *Factor structure with Cronbach's alphas*

<b>DATA SET</b>	<b>Code</b>	<b>Cronbach's Alpha</b>	<b>N of Items</b>	<b>Factor Name</b>
<b>A Factors</b>	BA_F1	0,911	13	A: Leadership Style
	BA_F2	0,898	16	A: Work Environment
	BA_F3	0,865	11	A: Benefits
	BA_F4	1,834	6	A: Development
	BA_F5	0,683	4	A: Other *
	BA_F6	0,804	6	A: Social connectedness
<b>B Factors</b>	BB_F1	0,949	16	B: Leadership Style
	BB_F2	0,933	16	B: Work Environment
	BB_F3	0,819	8	B: Benefits and incentives
	BB_F4	0,624	4	B: Other *
	BB_F5	0,83	6	B: Development
	BB_F6	0,761	4	B: Cash
<b>Retention</b>	D_F1	0,887	10	Retention

\* Factors A F5 and B F4 eliminated from factor structure since CA < 0.7

### 3.8.4 Factor scores and paired sample tests

In order to answer Questions 2 and 3 of this research study, namely “Which aspects of talent management are the most important to South African employees?” and “To what extent are expectations around these aspects (importance ratings) being met by employers?” Factor scores and paired sample t-tests were performed.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

With the factor structure established for each data set, mean factor scores for both the A (importance) and B (current employer ratings) responses for each of the 12 talent management factors were calculated as well as the mean factor score for the retention factor. The factor scores for the A responses were used in order to answer Question 2 of the research namely “Which aspects of talent management are the most important to South African employees?”

Mean item scores were also calculated per question in order to perform deep dive analyses at an individual question level. The differences between the A and B responses were calculated at both a factor and individual item level in order to test for the differences between deemed importance and actual employer ratings. These differences were used to answer Question 3 of the research, namely “To what extent are expectations around these aspects (importance ratings) being met by employers?”

In order to determine whether these differences were significant and if so, the extent of the differences, paired sample tests were conducted. Paired samples or related t-tests are used when participants contribute data for both variables (Hair et al., 2014) and since the participants answered both the A and the B scales as part of the same questionnaire, the paired sample tests were considered appropriate. The Paired Sample t-test was used for factor level comparisons. Where significant differences were found, Cohen’s D test was conducted in order to determine the effect size. In other words, how big was the difference between A (importance) and B (current employer ratings). A summary of the mean factor scores for the 10 talent management factors and details of the t-test and Cohen’s D test can be seen in Table 3.4.

**EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

Table 3.4: *Summary of Mean Factor scores, paired sample t-tests and Cohen's D*

DATA SET	Factor Name	A Responses (Importance)		B Responses (Current employer)		Diff A vs B		Sig (2-tailed)	Cohen's d	
		Mean Factor Score	Std. Deviation	Mean Factor Score	Std. Deviation	Means	t			
<b>A FACTORS</b>	A: Leadership Style	4,32	0,57	3,30	1,00	-1,02	23,95	710	0,000	0,90
	A: Work Environment	4,27	0,56	3,34	0,81	-0,94	26,12	710	0,000	0,98
	A: Benefits	3,27	0,87	2,36	0,76	-0,91	21,68	710	0,000	0,81
	A: Development	4,04	0,73	3,30	0,86	-0,74	17,90	710	0,000	0,67
	A: Social connectedness	3,86	0,72	3,05	0,94	-0,80	17,82	710	0,000	0,67
<b>B Factors</b>	B: Leadership Style	4,23	0,57	3,25	0,98	-0,98	-23,44	710	0,000	0,88
	B: Work Environment	4,21	0,54	3,33	0,83	-0,88	-24,92	710	0,000	0,93
	B: Benefits and incentives	3,20	0,62	2,14	0,81	-1,06	-25,02	710	0,000	0,89
	B: Development	4,11	0,66	3,18	0,93	-0,93	-22,38	710	0,000	0,84
	B: Cash	4,08	0,71	2,82	0,92	-1,25	-29,34	710	0,000	1,10

**3.8.5 Pearson Correlation**

The Pearson Correlation test was used to determine the correlation between the mean factor scores of each of the 11 factors; each of the 11 factors was correlated with the 10 other factors to reveal a correlation matrix. Correlation matrices are typically used to determine the strength and direction of a linear relationship between two variables with the value of the relationship ranging from +1 indicating a strong positive relationship and -1 indicating a strong negative

linear relationship. A correlation of 0 indicates no linear relationship between the two variables (Taylor, 1990).

### **3.8.6 T-tests and Analyses of Variance (ANOVA)**

The last step in the statistical analysis was to determine if significant differences exist between the generational, racial, and gender groupings. In order to be able to do this, t-tests were performed to test for gender differences since it comprises only two variables, whilst ANOVAs were conducted to test for differences in racial and age categories followed by post-hoc Tukey tests (a multiple t-test between each possible combination of categories to identify the specific groupings where the differences are found).

## **3.9 Reliability considerations**

As outlined above, Cronbach's alpha was used to validate the factor structure. The standard of 0.7 was applied eliminating two of the factors and ensuring that the factors on which this study is based carry a high degree of reliability.

## **3.10 Ethical considerations**

The study which generated the data used in this study received clearance from the NMMU ethics committee and data is being used with permission from the original researchers. Furthermore, this research has also received clearance from the NMMU ethics committee.

## **3.11 Summary of Methodology chapter**

This chapter explained the methodology employed in conducting this study, including the research design and approach, population and sampling method, instruments used for data collection as well as the specific descriptive and inferential statistical techniques used to analyse and ensure the validity of the data. The following chapter will discuss the results obtained in the research.

## CHAPTER 4 FINDINGS

### 4.1 Chapter Preview

This chapter details the factors emerging from the EFA, the analysis of the mean factor scores and the key differences between importance and current employer ratings. The results of correlations between factors are presented as well as the key findings on variance analyses conducted between gender, race and generational cohorts.

### 4.2 Study Population

An illustration of the demographic profile of the 711 respondents of this study is seen in Table 3.1, Chapter 3. Although not completely proportionate to the South African demographics, there is a good balance between the different groupings.

### 4.3 Factors Emerging from EFA

The study used three talent management questionnaires, namely talent attraction, reward and benefits and management styles and leadership preferences. All of these comprised 64 questions and each had an A (importance) five-point Likert scale as well as a B (rating of current employer) five-point Likert scale. In addition to the dual-scaled talent management questionnaires, the study also utilised a Retention questionnaire which had a single five-point Likert scale. Three separate Exploratory Factor Analyses (EFAs) were conducted, namely on the A (importance) responses for all talent management questionnaires, the B (rating of current employer) responses on the talent management questionnaires and on the retention responses. The factors emerging from these three EFAs are discussed below.

#### 4.3.1 Talent Management Factors

The EFAs conducted on the A and B scales responses to the talent management questions initially loaded six factors on each scale. The pattern matrices were analysed to determine if the questions that loaded together on each factor supported any of the theoretical constructs and Cronbach alphas were run on each factor to test for reliability of the factor structures. Refer to Table 3.3 in Chapter 3 for a summary of the initial factor structure. Two factors were removed, one from the A factor structure and one from the B factor structure since their Cronbach alphas were below the desired 0.7 level and because the questions loaded on them were diverse in nature and did not fit into any specific pattern.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

**A versus B factor loading.** There was alignment in many ways between the factors that loaded on the A factor structure and the B factor structure of the talent management questionnaires. The factors most clearly common were leadership styles, working environment and benefits. However, the A factor structure included a factor that was termed social connectedness, whilst a factor relating to salary or cash benefits was notably absent and the B factor structure did not include a social connectedness factor, but a factor emerged which related to cash benefits.

**Leadership styles.** Table 4.1 shows the questions that loaded on the A and B leadership styles factors respectively with the factor loadings per question. For the B responses, namely, rating of current employer, all the questions from the management styles and leadership preferences questionnaire loaded, whilst three did not load on the A factor for Leadership styles. The three that did not load however, loaded on a separate A structure factor, termed social connectedness.

Table 4.1: *A vs B factor loadings on Leadership Styles*

		Factor loadings per question	
		A Factor Leadership Style	B Factor Leadership Style
B4A1	Acknowledges my background and experience	0,625	0,612
B4A2	Consults with me before finalising action plans	0,692	0,759
B4A3	Finds out and understands the things that motivate me as an employee	0,652	0,701
B4A4	Respects his employees	0,780	0,871
B4A5	Recognises my accomplishments at work	0,777	0,780
B4A6	Gets to know me personally		0,746
B4A7	Involves me in the decision-making process and encourages participation	0,694	0,759
B4A8	Interacts face-to-face with me	0,538	0,864
B4A9	Emphasises the “fun side” of the workplace		0,736
B4A10	Provides me with a variety of activities that I can enjoy	0,410	0,485
B4A11	Provides me with sufficient opportunities for socialising and building networks with colleagues		0,759
B4A12	Takes responsibility	0,581	0,704
B4A13	Treats me as an individual	0,466	0,499
B4A14	Provides me with freedom and flexibility	0,737	0,766
B4A15	Supports my personal growth and development	0,596	0,702
B4A16	Provides me with stimulation to maintain my interest at work	0,559	0,704

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

**Work Environment.** The second factor loaded on both the A and the B factor structures comprised of questions from the talent attraction section of the Talent Management questionnaire. Sixteen questions loaded on each of the A and B factors, and of these, 12 questions were common between the two factors. The questions ranged between the nature of the work itself, relational aspects, developmental opportunities as well as financial and job security. Upon review of the questions that loaded and in keeping with the literature review which found the work environment comprising of several aspects, this factor was named work environment for both the A and B factor structures. Details of the questions loaded can be seen in Table 4.2 below.

Table 4.2: *A versus B factor loadings on Work Environment*

		Factor Loadings per Question	
		A Factor Work Environment	B Factor Work Environment
B1A1	Sufficient authority to make decisions	0,438	0,536
B1A2	Feeling personally valued and honoured by colleagues		0,788
B1A3	Being encouraged to give my opinions and ideas		0,687
B1A4	Clear roles and responsibilities	0,562	0,526
B1A5	Recognition of my past experience	0,570	0,722
B1A6	Challenging work	0,429	0,648
B1A7	Work-life balance	0,419	0,632
B1A8	My organisation being involved in corporate social responsibility activities		0,490
B1A9	Opportunities to advance in my career	0,707	0,537
B1A10	Freedom and flexibility in my job	0,698	0,602
B1A11	Teamwork	0,431	0,755
B1A12	Friendship with colleagues		0,615
B1A13	Opportunities that will help me grow in my current position	0,551	0,656
B1A14	Experiencing fun at work	0,531	0,424
B1A15	Opportunities that will help me develop specialist skills	0,806	0,479
B1A16	Financial security	0,642	
B1A17	A good pension fund	0,516	
B1A18	Recognition of my achievements	0,577	0,705
B1A19	Opportunities to mentor colleagues	0,519	
B1A20	Job security	0,572	



## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

**Benefits and Cash Incentives.** The third factor loaded onto both the A and B factor structures was from items derived from the reward and benefits questionnaire. A total of 11 questions loaded on the A factor, with the exception of two items relating to share schemes, all being non-cash fringe benefits. The B factor comprised a total of eight questions of which six also loaded on the A factor. However, unlike the A factor which only comprised of non-cash benefits and share schemes, the B factor loading also included two cash benefits namely cash incentives and output-based remuneration/commission. For this reason, the naming of the factors differs slightly with the A factor being named benefits and the B factor benefits and incentives. Details of the questions and their factor loadings on each factor can be seen on Table 4.3.

Table 4.3: *A versus B factor loadings on Benefits and Incentives*

		<b>Factor Loadings per Question</b>	
		<b>A Factor</b>	<b>B Factor</b>
		Benefits	Benefits and Incentives
B3A3	Cash incentives (e.g. “Incentive Card” awards and gift cards)		0,403
B3A4	Output-based remuneration/Commission		0,460
B3A6	Spa treatments, movie vouchers or other retail gifts	0,423	0,710
B3A7	Incentive trips (e.g. weekend away, overseas trips, etc.)	0,563	0,701
B3A16	External conferences	0,450	
B3A17	Data card with private usage allowed (e.g. 3G/ADSL)	0,709	
B3A18	Cell phone paid – reimbursement in excess of business calls	0,606	
B3A19	Company share scheme	0,589	0,464
B3A20	BEE Share Scheme	0,498	0,517
B3A23	Newspapers/magazine subscriptions	0,543	
B3A25	Gym facilities	0,684	0,471
B3A26	Wellness programme (e.g. free counselling services)	0,430	
B3A27	Crèche facilities	0,483	0,564

**Development.** Another factor which showed commonality between the A and B factor structures pertained to development with questions from both the talent attraction and rewards and benefits questions loaded on each factor. Both the A and B factors entailed six questions, with four common to both factors. Table 4.4 shows the questions that loaded on each factor. An interesting difference is Question B1A8, “my organisation being involved in corporate

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

social responsibility activities” which loaded on the A factor. This is the only question that does not directly speak to specific development or training interventions but could suggest that an organisation’s involvement in corporate social responsibility activities is seen as contributing to an individual’s development journeys.

Table 4.4: *A versus B factor loadings on Development*

		Factor Loadings per Question	
		A Factor Development	B Factor Development
B1A8	My organisation being involved in corporate social responsibility activities	0,414	
B1A9	Opportunities to advance in my career		0,431
B1A19	Opportunities to mentor colleagues		0,493
B3A11	Study bursary (e.g. when your company pays partly/fully for your studies)	0,498	0,410
B3A12	Mentorship or coaching programme	0,777	0,584
B3A13	Structured development programme	0,785	0,694
B3A14	Internal/on-the-job training	0,681	0,559
B3A15	External training	0,483	

**Social connectedness.** The last factor to load on the A factor structure did not have any similar factor in the B structure. However, all the items that loaded on this structure did load on the B factors of either work environment or leadership style. The six questions loaded on this factor related to fun, friendships and relationships and thus the factor was termed social connectedness. Details of the factor questions can be seen in Table 4.5.

Table 4.5: *A factor of Social Connectedness*

		A Factor Social Connectedness	No similar B Factor. But did load on the following B factors:
B1A12	Friendship with colleagues	0,454	B: Work Environment
B1A14	Experiencing fun at work	0,505	B: Work Environment
B4A6	Gets to know me personally	0,553	B: Leadership Style
B4A9	Emphasises the “fun side” of the workplace	0,638	B: Leadership Style
B4A10	Provides me with a variety of activities that I can enjoy	0,438	B: Leadership Style
B4A11	Provides me with sufficient opportunities for socialising and building networks with colleagues	0,517	B: Leadership Style

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

**Cash.** One of the most remarkable findings of the EFA was the fact that none of the items directly related to cash or cash incentives loaded on the A (importance) factor structure but were clearly a factor in the B (rating of current employer) factor structure. The complete absence of questions such as “your salary” and “bonuses” in the A factor structure either as a factor on their own or as components of other factors warrants investigation and implications in terms of how this could support motivational theories such as Herzberg’s two-factor theory and Alderfer’s ERG theory (Bagram, 2011) and their implications for talent management strategies will be discussed in Chapters 5 and 6.

Table 4.6: *B factor of Cash*

		<b>No similar A factor.</b> Items did not even load on any of the A factors	<b>B Factor</b> Cash
B3A1	Your salary		0,403
B3A2	Bonuses (e.g. performance bonus, union-negotiated “recognition payment” bonus)		0,536
B3A3	Cash incentives (e.g. “Incentive Card” awards and gift cards)		0,618
B3A4	Output-based remuneration/Commission		0,430

### 4.3.2 Retention Factor

The EFA run on the 11 questions of the Retention questionnaire loaded a single factor comprising all but one of the 11 questions. This factor can be taken as a strong, singular indicator of the respondents’ commitment to the organisation and their intention to stay or quit.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Table 4.7: *Retention factor*

	<b>Retention</b>
D1 I'm planning on working for another company within a period of three years *	0,664
D2 My current job gives me satisfaction	0,688
D3 If I wanted change, I would look first at the possibilities within my current company	0,594
D4 I see a future for myself within my current company	0,813
D6 If it were up to me, I will definitely be working for this company for the next five years	0,777
D7 If I could start over again, I would choose to work for another company *	0,624
D8 If I received an attractive job offer from another company, I would <b>not</b> take the job	0,545
D9 The work I'm doing is very important to me	0,512
D10 I love working for my current company	0,819
D11 I am actively looking for another job elsewhere *	0,636

\* Reverse scored items

### 4.3.3 Summary of EFA findings

The EFAs run on the three separate data-sets, namely talent management A scale (Importance ratings), talent management B scale (rating of current employer) and the retention questionnaires yielded a total of 13 factors of which two were dropped due to their lower than acceptable Cronbach alphas. The comparison between the factor loadings or composition of the A and B factor structures of the talent management questionnaires revealed similarities between the leadership, work environment, benefits and development factors which were common to both factor structures, but two marked differences were evident, namely the presence of a factor of social connectedness in the A factor structure with no corresponding factor in the B structure and the complete absence of any factors or items relating to cash or cash incentives in the A structure. However, their presence as both a separate factor and contributors to another factor on the B factor structure were evident. Thus, when asked about the importance (A) of cash benefits such as salary, bonuses, incentives and commissions, no clear factor pattern emerged, and these questions did not even feature in any of the other A factors. However, when asked to rate the performance of their current employers on these questions, a clear factor emerged supporting Herzberg's theory that money or cash is not necessarily a motivating factor, but a hygiene factor, which if absent, has the potential to demotivate. This concept will be explored further as the factor scores, differences between A and B responses, correlations and analyses of variance are reviewed.

#### 4.4 Mean Scores and Differences between Importance and Current employer ratings

##### 4.4.1 Factor level Scores

Mean factor scores were calculated for both the A and B responses for all 10 factors of the talent management scales. These indicate the average score to each of the questions within a specific factor. In all cases, the mean score for the A responses (importance ratings) was higher than the B responses (ratings of current employer) indicating that in most cases, actual experiences are lower than expectations. Paired sample t-tests revealed that the differences between the A and B mean factor scores were significant and Cohen’s D tests revealed that eight out of the 10 had an effect size of over 0.8, which is regarded as large whilst two were over 0.5 (both 0.67) and viewed as medium (Hair et al., 2014). A summary of the mean factor scores, the differences in the means, the t-tests and Cohen’s D is illustrated in Table 4.8. This is a repeat of Table 3.4 in Chapter 3 but is repeated here for ease of reference.

Table 4.8: Summary of Mean Factor scores, paired sample t-tests and Cohen’s D

DATA SET	Factor Name	A Responses (Importance)		B Responses (Current employer)		Diff A vs B Means		Sig (2-tailed)	Cohen's d	
		Mean Factor Score	Std. Deviation	Mean Factor Score	Std. Deviation	t	df			
A FACTORS	A: Leadership Style	4,32	0,57	3,30	1,00	-1,02	23,95	710	0,000	0,90
	A: Work Environment	4,27	0,56	3,34	0,81	-0,94	26,12	710	0,000	0,98
	A: Benefits	3,27	0,87	2,36	0,76	-0,91	21,68	710	0,000	0,81
	A: Development	4,04	0,73	3,30	0,86	-0,74	17,90	710	0,000	0,67
	A: Social connectedness	3,86	0,72	3,05	0,94	-0,80	17,82	710	0,000	0,67
B FACTORS	B: Leadership Style	4,23	0,57	3,25	0,98	-0,98	-23,44	710	0,000	0,88
	B: Work Environment	4,21	0,54	3,33	0,83	-0,88	-24,92	710	0,000	0,93
	B: Benefits and incentives	3,20	0,62	2,14	0,81	-1,06	-25,02	710	0,000	0,89
	B: Development	4,11	0,66	3,18	0,93	-0,93	-22,38	710	0,000	0,84
	B: Cash	4,08	0,71	2,82	0,92	-1,25	-29,34	710	0,000	1,10

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

The following are key findings from these analyses.

**Factor importance Rankings.** In both the A and the B factor structures, the mean factor scores for the Importance ratings (A responses) illustrate the emergence of leadership style as the most important factor followed by work environment and thereafter development. In the A factor structure, the factor of A: social connectedness is ranked fourth, followed by A: benefits in the fifth and last place, whilst in the B factor structure, the B: cash factor is ranked fourth and the B: benefits and incentives factor is also the fifth and least important factor. The relatively low importance ranking of the cash factor runs contrary to other studies which found monetary rewards, particularly basic salary to be the most important factor amongst South African employees (Bussin & Thabethe, 2018; Pregnolato et al., 2017; Snelgar et al., 2013; Bussin & van Rooy, 2014).

**Differences in mean factor scores.** When looking at the differences in the Mean factor scores of the A versus B responses, both the absolute mean differences and the Cohen's D effect size were analysed, which takes into consideration the mean scores and standard deviations of both sets of data (Hair et al., 2014).

In the A factor structure, leadership style and work environment showed the biggest differences with A: leadership style indicating a mean score difference of 1.02 and a Cohen's D of 0.98 and A: work environment a mean score difference of 0.94 and the highest A factor structure Cohen's D of 0.98. Although A: benefits may have been the least important in terms of importance rankings, it was also ranked the lowest in terms of employer ratings with a mean score difference of 0.91 and a Cohen's D of 0.81, which is considered a large effect size. The remaining two factors namely A: social connectedness and A: development also had significant mean differences of 0.8 and 0.7 respectively and both are considered a medium Cohen's D effect size of 0.67.

In the B factor structure, the factor which had by far the biggest difference in mean score, was the B: cash factor with a mean score difference of 1.25 and a Cohen's D effect size of 1.1, which is 0.3 points above the 0.8 point considered as "large" when interpreting Cohen's D. Therefore, although B: Cash was not the most important factor (of all 10 factors it was ranked only 6<sup>th</sup> in importance and did not feature on the A factor structure), it was the factor with the biggest difference between A (importance) and B (rating of current employer) scores across all factors and therefore, the one with which employees are arguably the least satisfied.

**Differences in Standard Deviations.** Noteworthy, are the differences in the standard deviations between the A and B responses across all 10 factors. The standard deviations in the A responses ranged from 0.54-0.87 with an average of 0.65, whilst the B responses ranged from 0.76-1 with an average of 0.88. It can be concluded that there is more consistency in what respondents deem important than in their ratings of current employers.

### 4.4.2 Question level scores

In order to provide further insights into the relative importance ratings and current employer ratings, the mean average scores of each of the talent management questions were reviewed. Table 4.9 shows the 15 questions with the highest A: importance scores. The top scoring question in terms of importance ratings was “your salary”, which as mentioned above, did not feature on any of the A factors, but was a component of the B: Cash factor. The second and third most important questions related to leadership, namely “Respects his employees” and “Takes responsibility”, with the fourth most important question being “clear roles and responsibilities” from the work environment factors. The balance of the top 15 questions were from the work environment and leadership styles factors with the exception of bonuses which loaded only on the B: cash factor. Other questions loaded on the B: cash factor, namely “Cash incentives” and “Output-based commissions/incentives” were ranked at 51 and 55 in importance ratings respectively, explaining the overall low importance ranking of the B: cash factor.

Table 4.10 shows the 15 questions with the greatest differences between A and B ratings. The main difference, namely “bonuses” indicated that this is potentially the benefit driving the most amount of discontent followed by the leadership question, “Finds out and understands the things that motivate me as an employee”. Unlike the top 15 by importance rating in Table 4.9, the top 15 by A and B differences in Table 4.10 features a number of benefits questions indicating that although they may not feature highest in importance ratings, there is a marked difference between expectations and experiences in these benefits.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Table 4.9: *Top 15 questions by importance ranking*

<b>A Rank</b>	<b>Question</b>	<b>A Average</b>	<b>B Average</b>	<b>Diff A-B</b>	<b>A Factor loaded on</b>	<b>B Factor Loaded on</b>
1	Your salary	4,62	3,31	1,31	None	B: Cash
2	Respects his employees	4,57	3,59	0,98	A: Leadership style	B: Leadership style
3	Takes responsibility	4,50	3,56	0,95	A: Leadership style	B: Leadership style
4	Clear roles and responsibilities	4,50	3,52	0,98	A: Work Environment	B: Work Environment
5	Recognises my accomplishments at work	4,47	3,38	1,10	A: Leadership style	B: Leadership style
6	Job security	4,45	3,59	0,86	A: Work Environment	None
7	Bonuses (e.g. performance bonus, union-negotiated “recognition payment” bonus)	4,45	3,02	1,43	None	B: Cash
8	Financial security	4,43	3,37	1,06	A: Work Environment	None
9	Opportunities to advance in my career	4,41	3,19	1,22	A: Work Environment	B: Work Environment & B: Development
10	Interacts face-to-face with me	4,40	3,64	0,77	A: Leadership style	B: Leadership style
11	Supports my personal growth and development	4,40	3,33	1,07	A: Leadership style	B: Leadership style
12	Teamwork	4,36	3,59	0,77	A: Work Environment	B: Work Environment
13	Work-life balance	4,35	3,33	1,02	A: Work Environment	B: Work Environment
14	Freedom and flexibility in my job	4,34	3,43	0,91	A: Work Environment	B: Work Environment
15	Provides me with freedom and flexibility	4,33	3,39	0,94	A: Leadership style	B: Leadership style



## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Table 4.10: *Top 15 questions by difference in A vs B ratings*

Diff Rank	Question	A Average	B Average	Diff A B	A Factor loaded on	B Factor Loaded on
1	Bonuses (e.g. performance bonus, union-negotiated “recognition payment” bonus)	4,45	3,02	1,43	None	B: Cash
2	Finds out and understands the things that motivate me as an employee	4,31	2,94	1,37	A: Leadership style	B: Leadership style
3	Company share scheme	3,66	2,31	1,35	A: Benefits	B: Benefits & Incentives
4	Your salary	4,62	3,31	1,31	None	B: Cash
5	Gym facilities	3,20	1,91	1,29	A: Benefits	B: Benefits & Incentives
6	Time-off (half day or full day) in recognition of hard work	3,91	2,65	1,26	None	None
7	Incentive trips (e.g. weekend away, overseas trips, etc.)	3,24	1,99	1,25	A: Benefits	B: Benefits & Incentives
8	Crèche facilities	2,80	1,57	1,23	A: Benefits	B: Benefits & Incentives
9	Opportunities to advance in my career	4,41	3,19	1,22	A: Work Environment	B: Work Environment & B: Development
10	Cash incentives (e.g. “Incentive Card” awards and gift cards)	3,68	2,49	1,19	none	B: Benefits & Incentives
11	Provides me with stimulation to maintain my interest at work	4,29	3,12	1,17	A: Leadership style	B: Leadership style
12	Recognition of my achievements	4,27	3,13	1,14	A: Work Environment	B: Work Environment
13	Opportunities that will help me grow in my current position	4,25	3,13	1,12	A: Work Environment	B: Work Environment
14	Recognises my accomplishments at work	4,47	3,38	1,10	A: Leadership style	B: Leadership style
15	Output-based remuneration/Commission	3,57	2,48	1,09	None	B: Benefits & Incentives

### 4.4.3 Summary of Mean Factor and Question Scores

The analysis of the mean scores at both a factor and question level as well as their variances yielded some key findings. For all factors, current employer ratings scored significantly lower than importance ratings. Leadership emerged as the most important factor followed by working environment and development on both factor structures. The B: cash factor scored only 6<sup>th</sup> out of 10 in terms of factor importance ratings but was the factor with the biggest difference between importance and current employer ratings. When one analyses the B: cash factor at a question level, the question “Your salary” is ranked the highest in importance of all the 64

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

talent management questions and the question “bonuses” is ranked 7<sup>th</sup>. The other two B: cash factor questions addressing cash incentives and output-based bonuses and commissions are ranked considerably lower. Of the five questions with the highest importance rankings, three are leadership questions supporting the ranking of leadership as the most important ranking factor on both factor structures. The question with the largest difference between importance and current employer ratings was “bonuses” followed by the leadership question of “Finds out and understands the things that motivate me as an employee.”

### 4.5 Correlations

Pearson correlations were performed between both the A and B scale responses for all 11 factors, namely the five A factors, the five B factors and the Retention factor.

#### 4.5.1 A Factor Structure Correlations

Table 4.11 illustrates the correlations between the A and B responses for the A factor structure as well as their correlation to the retention factor. As could be expected, there is significant correlation between the respective A and B responses. For example, there was a  $r = 0.561$  correlation between what people deemed as important (A) for leadership style and for work environment, as well as a  $r = 0.76$  correlation between their ratings of current employer (B) on leadership style and work environment. Some significant, though smaller correlations were found between the A (importance) responses and the B (ratings of current employer) responses in certain factors. For example, current employer ratings on development and connectedness showed significant correlations with importance ratings (A) of leadership style, work environment and benefits.

A notable finding is that no significant correlation was found between the retention factor and ratings of current employer on the A factor structure, but significant negative correlations were found between retention and the importance ratings of benefits ( $r = -.116$ ) and development ( $r = -.076$ ). This indicates a negative linear relationship between the importance of benefits and development and retention.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Table 4.11: A Factor structure correlation

A = A scale (Importance)												
B= B scale (Rating of current employer)		A: Leadership Style	A: Work Environment	A: Benefits	A: Development	A: Social connectedness	Retention	A: Leadership Style	A: Work Environment	A: Benefits	A: Development	A: Social connectedness
		A					B					
		A	A	A	A	A		B	B	B	B	B
A: Leadership Style	A	1										
A: Work Environment	A	.561**	1									
A: Benefits	A	.361**	.263**	1								
A: Development	A	.533**	.493**	.515**	1							
A: Social connectedness	A	.588**	.423**	.443**	.427**	1						
Retention		0,012	0,069	-.116**	-.076*	0,028	1					
A: Leadership Style	B	0,035	.080*	.078*	0,053	0,044	0,071	1				
A: Work Environment	B	0,069	0,061	.081*	0,038	0,023	0,036	.726**	1			
A: Benefits	B	0,021	0,042	0,061	0,034	0,026	0,071	.414**	.454*	1		
A: Development	B	.079*	.076*	.101**	0,047	0,032	0,026	.676**	.889*	.426*	1	
A: Social connectedness	B	.074*	.085*	.104**	0,060	0,056	0,060	.828**	.742*	.456*	.786*	1

\*\* Correlation is significant at the 0.01 level (2-tailed). \* Correlation is significant at the 0.05 level (2-tailed).

### 4.5.2 B Factor Structure Correlations

Table 4.12 illustrates correlations within the B factor structure and with each of the B factors and retention. As with the A factor structure, there are significant correlations between the B responses of each factor and the A responses with the exception of the benefits and incentives A ratings, which does not correlate to any of the other A responses. Of importance in this table are the significant correlations between retention and the B responses for all factors with work environment showing the highest correlation to retention ( $r = 0.533$ ) closely followed by leadership ( $r = 0.529$ ) and development ( $r = 0.524$ ). Cash and benefits and incentives had the lowest correlations with retention indicating that the factors of leadership style, work

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

environment and development have a higher impact on retention than monetary rewards and benefits.

Table 4.12: *B Factor structure correlation*

A = A scale (Importance)												
B = B scale (Rating of current employer)		B: Leadership Style	B: Work Environment	B: Benefits and incentives	B: Development	B: Cash	Retention	B: Leadership Style	B: Work Environment	B: Benefits and incentives	B: Development	B: Cash
		B	B	B	B	B		A	A	A	A	A
B: Leadership Style	B	1										
B: Work Environment	B	.735**	1									
B: Benefits and incentives	B	.356**	.403**	1								
B: Development	B	.603**	.697**	.507**	1							
B: Cash	B	.533**	.553**	.658**	.498**	1						
Retention		.529**	.548**	.270**	.524**	.373**	1					
B: Leadership Style	A	0,045	0,038	0,000	0,012	0,060	0,025	1				
B: Work Environment	A	.097**	.097*	0,010	.091*	.092*	.100**	.596**	1			
B: Benefits and incentives	A	0,068	0,049	0,021	0,053	0,068	0,032	-0,020	0,049	1		
B: Development	A	.078*	0,070	0,024	0,052	.094*	0,058	.563**	.641**	.081*	1	
B: Cash	A	0,035	0,023	0,044	0,024	0,041	-0,006	.340**	.263**	.107**	.357**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed). \* . Correlation is significant at the 0.05 level (2-tailed).

### 4.5.3 Correlations between A & B Factor Structures

Tables 4.11 and 4.12 showed correlations within the A and B factor structures respectively, and Table 4.13 illustrates correlations between the two structures. There are no significant correlations between the A ratings of the two factor structures and only a few correlations between the B ratings, particularly between the factors of leadership and benefits. There are, however, significant correlations between all except one of the B factor A (importance) ratings and the A factor B (rating of current employer) ratings. A notable finding is the negative correlation between the cash factor's importance ratings (A) and the ratings of current employer

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

on leadership ( $r = -.143$ ), work environment ( $r = -.131$ ), social connectedness ( $r = -.133$ ) and development ( $r = -.118$ ). This indicates a negative linear relationship between how the factors of leadership, work environment, social connectedness and development are experienced, and the importance placed on cash or monetary rewards. In other words, the less happy respondents were with these factors, the more importance they gave to cash benefits, and conversely, the happier they were with these factors, the less the importance was placed on cash benefits. The implications of this finding will be discussed in Chapter 6.

Table 4.13: *Correlations between A & B Factor structures*

A = A scale responses											
B = B scale responses		A: Leadership Style	A: Work Environment	A: Benefits	A: Development	A: Social connectedness	A: Leadership Style	A: Work Environment	A: Benefits	A: Development	A: Social connectedness
		A					B				
		A	A	A	A	A	B	B	B	B	B
B: Leadership Style	A	-0,010	0,038	0,049	0,007	-0,004	.130**	.103**	.094*	.153**	.161**
B: Work Environment	A	-0,034	-0,026	-0,007	-0,072	0,003	.178**	.234**	.133**	.289**	.185**
B: Benefits and incentives	A	0,045	0,011	0,059	0,045	0,011	.341**	.438**	.872**	.404**	.420**
B: Development	A	-0,006	0,008	0,005	-0,037	-0,024	0,056	.118**	.151**	.151**	.091*
B: Cash	A	0,010	0,043	-0,016	-0,031	-0,033	-.143**	-.131**	.085*	-.118**	-.133**
B: Leadership Style	B	.111**	.131**	-0,070	0,046	.151**	.094*	0,064	.091*	0,054	0,057
B: Work Environment	B	.118**	.211**	-0,069	.095*	.189**	.095*	0,034	.084*	0,042	0,070
B: Benefits and incentives	B	-0,059	0,056	.262**	0,059	.129**	0,032	0,020	0,056	0,030	0,032
B: Development	B	0,009	.134**	0,023	.077*	.141**	0,041	0,037	.089*	0,038	0,040
B: Cash	B	0,033	.121**	0,070	0,054	0,068	0,066	0,016	.077*	0,041	0,061

\*\* . Correlation is significant at the 0.01 level (2-tailed). \* . Correlation is significant at the 0.05 level (2-tailed).

### 4.5.4 Correlations of Individual Questions to the Retention factor

At a factor level, the current employer (B) ratings of the B factors showed significant positive correlations to the retention factor with B: work environment leading the correlations to retention ( $r = 0.545$ ) followed by B: leadership styles ( $r = 0.529$ ) and B: development ( $r = 0.524$ ). B: cash and B: benefits and incentives had significant but lower correlations of  $r = 0.373$  and  $r = 0.270$  respectively. Retention was negatively correlated with the importance (A) ratings of A: benefits ( $r = -0.116$ ) and A: development ( $-0.076$ ) indicating that people with a stronger desire for these factors are more likely to be a retention risk. See Tables 4.11 and 4.12 for factor-level retention correlations.

In order to understand the drivers of retention in more detail, both the A and B responses of each of the 64 talent management questions was correlated to the retention factor score and the results illustrated in Table 4.14. The A or importance ratings were found to have little or no correlation with retention, but B or ratings of current employer were all significantly correlated. The B rating correlations to retention were ranked from strongest to weakest. Of the top 10, six were leadership questions and four were from the Talent Attraction questionnaire which are viewed as a function of leadership. Thus, in keeping with the factor correlations to retention, questions pertaining to leadership and work environment correlated the strongest with retention. Significantly, the item “your salary”, which scored the highest in terms of A: importance, was low in the rankings in 30<sup>th</sup> place, indicating that despite its deemed importance ratings, its actual role in retaining employees is less than other talent management strategies. In the same vein, the high scoring “bonuses” was also low on the retention rankings in 43<sup>rd</sup> place. Rewards, particularly non-cash benefits and performance-related cash benefits were at the bottom of the retention correlations highlighting that factors such as leadership, working environment and development should have even more focus than salary and benefits in any corporate retention strategy.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Table 4.14: *Correlations of Questions to Retention Factor ranked by p size*

Retention Ranking (B ratings)	Questionnaire derived from	Question	Question Correlation to Retention factor	
			A: (Importance)	B: (Rating of current employer)
1	Leadership	Provides me with stimulation to maintain my interest at work	-0,004	0,517
2	Leadership	Provides me with freedom and flexibility	0,049	0,491
3	Leadership	Supports my personal growth and development	0,015	0,468
4	Talent Attr	Feeling personally valued and honoured by colleagues	0,092	0,465
5	Talent Attr	Being encouraged to give my opinions and ideas	0,022	0,46
6	Talent Attr	Freedom and flexibility in my job	0,113	0,46
7	Leadership	Respects his employees	0,064	0,458
8	Talent Attr	Recognition of my achievements	0,011	0,457
9	Leadership	Finds out and understands the things that motivate me as an employee	-0,084	0,455
10	Leadership	Involves me in the decision-making process and encourages participation	0,054	0,442
11	Leadership	Provides me with sufficient opportunities for socialising and building networks with colleagues	0,046	0,442
12	Leadership	Recognises my accomplishments at work	0,022	0,424
13	Talent Attr	Opportunities that will help me develop specialist skills	0,003	0,42
14	Rewards	Pleasant physical working environment	0,025	0,42
15	Talent Attr	Experiencing fun at work	0,018	0,417
16	Talent Attr	Opportunities to advance in my career	-0,030	0,415
17	Rewards	Structured development programme	-0,096	0,415

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

18	Leadership	Acknowledges my background and experience	-0,006	0,415
19	Rewards	Mentorship or coaching programme	-0,064	0,409
20	Leadership	Takes responsibility	0,118	0,4
21	Leadership	Consults with me before finalising action plans	-0,013	0,394
22	Leadership	Gets to know me personally	0,064	0,394
23	Talent Attr	Opportunities that will help me grow in my current position	0,002	0,393
24	Talent Attr	Opportunities to mentor colleagues	0,072	0,389
25	Rewards	Flexible working hours	-0,029	0,379
26	Talent Attr	Teamwork	0,089	0,377
27	Leadership	Interacts face-to-face with me	0,051	0,375
28	Rewards	Internal/on-the-job training	0,030	0,37
29	Leadership	Emphasises the “fun side” of the workplace	-0,001	0,37
30	Rewards	Your salary	-0,093	0,362
31	Talent Attr	Clear roles and responsibilities	0,051	0,36
32	Talent Attr	Sufficient authority to make decisions	0,041	0,357
33	Talent Attr	Financial security	0,024	0,357
34	Talent Attr	Challenging work	0,088	0,353
35	Talent Attr	Recognition of my past experience	0,082	0,352
36	Talent Attr	Job security	0,109	0,331
37	Talent Attr	Friendship with colleagues	0,070	0,328
38	Rewards	External conferences	-0,060	0,328
39	Rewards	Study bursary (e.g. when your company pays partly/fully for your studies)	-0,091	0,324
40	Rewards	External training	-0,108	0,324
41	Leadership	Treats me as an individual	-0,028	0,308



## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

42	Rewards	Time-off (half day or full day) in recognition of hard work	-0,087	0,307
43	Rewards	Bonuses (e.g. performance bonus, union-negotiated “recognition payment” bonus)	-0,077	0,304
44	Talent Attr	Work-life balance	0,042	0,299
45	Talent Attr	My organisation being involved in corporate social responsibility activities	-0,005	0,271
46	Rewards	Data card with private usage allowed (e.g. 3G/ADSL)	-0,067	0,271
47	Rewards	Non-financial recognition awards (e.g. certificates, lunch, thank-you note, etc.)	0,006	0,268
48	Rewards	Incentive trips (e.g. weekend away, overseas trips, etc.)	-0,115	0,26
49	Rewards	Cell phone paid – reimbursement in excess of business calls	0,006	0,258
50	Rewards	Cash incentives (e.g. “Incentive Card” awards and gift cards)	-0,148	0,257
51	Talent Attr	A good pension fund	0,017	0,231
52	Leadership	Provides me with a variety of activities that I can enjoy	-0,071	0,228
53	Rewards	Long-service awards	0,039	0,227
54	Rewards	Company share scheme	-0,049	0,226
55	Rewards	Output-based remuneration/Commission	-0,099	0,222
56	Rewards	Branded merchandise (e.g. T-shirts)	0,030	0,216
57	Rewards	BEE Share Scheme	-0,072	0,196
58	Rewards	Newspapers/magazine subscriptions	-0,062	0,173
59	Rewards	Spa treatments, movie vouchers or other retail gifts	-0,044	0,167
60	Rewards	Wellness programme (e.g. free counselling services)	-0,109	0,157

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

61	Rewards	Annual leave commutation (when the organisation pays out accumulated annual leave)	-0,093	0,132
62	Rewards	Free meals	-0,091	0,121
63	Rewards	Gym facilities	-0,166	0,053
64	Rewards	Crèche facilities	-0,081	0,035

\* Cash factor questions highlighted to illustrate their relatively low ranking in retention correlations.

Red indicates significance

### 4.5.5 Summary of Correlation Findings

The correlational analysis in this study yielded the following three main findings.

**Positive work experiences reduce the importance of cash.** Employees' ratings of their current employer in the factors of leadership styles, work environment, development and social connectedness have a significant indirect correlation to the importance that they place on the factor of B: cash.

**Leadership styles have high correlations with other factors.** In both the factor structures, particularly for the B responses, the leadership styles factors are highly correlated with each of the other factors, especially work environment and development. Although directional causality has not been tested, one can argue that leadership styles have an impact on the experience of the other factors.

**Work Environment and Leadership styles, not Cash are the highest drivers of retention.** Correlations at both a factor and question level reveal that contrary to other South African studies, cash is not the highest driver of retention and it is superseded by work environment, leadership styles and development.

## 4.6 Analysis of Variance

The last statistical analyses performed was for the testing of the variations between gender, generational and ethnic cohorts across each factor. For the 10 talent management factors as well as the single retention factor variations were analysed in both the A and B ratings. Therefore, for each cohort group, a total of 21 factor responses were tested for variances. Since gender only has two variables, t-tests were conducted, whilst for generational and ethnic cohorts, ANOVAs were conducted.

4.7 Gender Variances

Of all 21 factor responses tested, significant differences were found between genders in only five and these are summarised in Table 4.15. Males were found to rate the importance of A: leadership style, A: social connectedness and B: benefits and incentives between 0.12 and 0.14 points above women, although their experiences (B ratings) of B: leadership style were 0.28 points above those of women. Men also scored higher on the retention factor than women.

Table 4.15: *T-test results for Gender Variances*

Factor	Scale	t-test for Equality of Means			Group Statistics		
		t	df	Sig. (2-tailed)	Male N = 392	Female N = 319	Mean Difference
A: Leadership Style	A	2,828	581,237	0,005	4,3746	4,2503	0,12431
A: Social connectedness	A	2,640	709	0,008	3,9192	3,7774	0,14179
B: Benefits and incentives	A	1,986	709	0,047	2,1971	2,0760	0,12105
B: Leadership Style	B	3,808	642,942	0,000	3,3799	3,0968	0,28316
Retention		2,597	639,472	0,010	3,3645	3,1893	0,17520

4.7.1 Generational Variances

Variances between generations were found in seven of the 21 factors as detailed in Tables 4.16 and 4.17. Baby Boomers (born 1946-1964) placed significantly less importance on the A: work environment than their Generation X counterparts (born 1965-1980) and also placing less importance on A: benefits and A: development than both their Generation X and Millennial (born after 1981) counterparts. In terms of the experience (B) ratings of the B: cash and B: work environment factors, millennials were the least satisfied and reported significantly lower ratings than the older generations and also scored significantly less than both older generations in the retention factor.

In addition, 14 of the factors had no generational variances. There were no significant variances in the experience (B) ratings of the A factor structure and no generational variances in either the importance (A) or experience (B) ratings of leadership in both factor structures. This indicates that there are more similarities than differences across the generations.

**EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

Table 4.16: *Tukey test results of factors with significant ANOVAs by generation*

Factor	Scale	Dependent Variable	Mean Difference (I-J)			
			(I-J)	Std. Error	Sig.	
A: Work Environment	A	1946 - 1964	1965 - 1980	-.14877*	0,05609	0,022
			1981 +	-0,04179	0,05631	0,738
		1965 - 1980	1946 - 1964	.14877*	0,05609	0,022
			1981 +	0,10698	0,04755	0,064
		1981 +	1946 - 1964	0,04179	0,05631	0,738
			1965 - 1980	-0,10698	0,04755	0,064
A: Benefits	A	1946 - 1964	1965 - 1980	-.26127*	0,08659	0,007
			1981 +	-.34479*	0,08693	0,000
		1965 - 1980	1946 - 1964	.26127*	0,08659	0,007
			1981 +	-0,08352	0,07341	0,491
		1981 +	1946 - 1964	.34479*	0,08693	0,000
			1965 - 1980	0,08352	0,07341	0,491
A: Development	A	1946 - 1964	1965 - 1980	-.22957*	0,07250	0,005
			1981 +	-.21521*	0,07278	0,009
		1965 - 1980	1946 - 1964	.22957*	0,07250	0,005
			1981 +	0,01436	0,06146	0,970
		1981 +	1946 - 1964	.21521*	0,07278	0,009
			1965 - 1980	-0,01436	0,06146	0,970
B: Work Environment	B	1946 - 1964	1965 - 1980	-0,06918	0,08223	0,677
			1981 +	0,11988	0,08255	0,315
		1965 - 1980	1946 - 1964	0,06918	0,08223	0,677
			1981 +	.18905*	0,06972	0,019
		1981 +	1946 - 1964	-0,11988	0,08255	0,315
			1965 - 1980	-.18905*	0,06972	0,019
B: Cash	B	1946 - 1964	1965 - 1980	-0,02438	0,09156	0,962
			1981 +	.21909*	0,09192	0,046
		1946 - 1964	0,02438	0,09156	0,962	

**EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

		1965 - 1980	1981 +	.24347*	0,07763	0,005
		1981 +	1946 - 1964	-.21909*	0,09192	0,046
			1965 - 1980	-.24347*	0,07763	0,005
		1946 - 1964	1965 - 1980	0,08361	0,06545	0,408
			1981 +	.21677*	0,06571	0,003
		1965 - 1980	1946 - 1964	-0,08361	0,06545	0,408
			1981 +	.13317*	0,05549	0,044
		1981 +	1946 - 1964	-.21677*	0,06571	0,003
			1965 - 1980	-.13317*	0,05549	0,044
		1946 - 1964	1965 - 1980	0,19059	0,08598	0,069
			1981 +	.55887*	0,08631	0,000
		1965 - 1980	1946 - 1964	-0,19059	0,08598	0,069
			1981 +	.36829*	0,07289	0,000
		1981 +	1946 - 1964	-.55887*	0,08631	0,000
			1965 - 1980	-.36829*	0,07289	0,000

Yellow highlight indicates significant variations between generations.

Table 4.17: Mean factor scores per Generation for Factors with significant ANOVAs

Factors with significant Generational Differences	Scale	Baby-boomers			
		1946 - 1964	1965 - 1980	1981 +	Total All birth years
		N = 155	N = 281	N = 275	N = 711
A: Work Environment	A	4,1980	4,3468	4,2398	4,2729
A: Benefits	A	3,0364	3,2976	3,3812	3,2730
A: Development	A	3,8624	4,0919	4,0776	4,0363
B: Work Environment	B	3,3492	3,4184	3,2293	3,3302
B: Cash	B	2,9000	2,9244	2,6809	2,8249
B: Development	A	4,2301	4,1465	4,0133	4,1132
Retention		3,5774	3,3868	3,0185	3,2859

**4.7.2 Racial Variances**

Variances across racial groups were found in only four of the 21 factors and related to importance (A) ratings in the A factor structure and retention. Africans rated the importance of A: work environment more highly than their Coloured counterparts, and Whites rated the importance of A: benefits significantly less than African and Coloureds. There were significant differences in importance ratings for A: development across all racial groups with Africans rating it the highest followed by Coloureds and Whites. As with both the gender and generational analyses, significant differences were found in the retention factor. Whites showed significantly higher retention levels than both Blacks and Coloureds. Seventeen of the factors showed no variations between racial groups. Despite the importance ratings differing for three factors, no variations occurred in experience (B) ratings and no differences in any of the ratings for the leadership, social connectedness and cash factors, which demonstrate that there are more similarities than differences.

Table 4.18: *Tukey test results of factors with significant ANOVAs by Race*

Factor	Scale	Dependent Variable	Mean					
			Difference (I-J)	Std. Error	Sig.			
A: Work Environment	A	African	Coloured	.12818*	0,05110	0,033		
			White	0,11523	0,05048	0,059		
		Coloured	African	-.12818*	0,05110	0,033		
			White	-0,01295	0,05455	0,969		
		White	African	-0,11523	0,05048	0,059		
			Coloured	0,01295	0,05455	0,969		
		A: Benefits	A	African	Coloured	0,14192	0,07670	0,154
					White	.56450*	0,07576	0,000
Coloured	African			-0,14192	0,07670	0,154		
	White			.42258*	0,08187	0,000		
White	African			-.56450*	0,07576	0,000		
	Coloured			-.42258*	0,08187	0,000		

**EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

A: Development	A	African	Coloured	.17839*	0,06379	0,015	
			White	.49807*	0,06301	0,000	
		Coloured	African	-.17839*	0,06379	0,015	
			White	.31968*	0,06809	0,000	
		White	African	-.49807*	0,06301	0,000	
			Coloured	-.31968*	0,06809	0,000	
		Retention	African	Coloured	-0,04117	0,07889	0,861
			White	-.44572*	0,07793	0,000	
Retention		Coloured	African	0,04117	0,07889	0,861	
			White	-.40455*	0,08421	0,000	
		White	African	.44572*	0,07793	0,000	
			Coloured	.40455*	0,08421	0,000	

Yellow highlight indicates significant variations between races.

Table 4.19: Mean factor scores per Race group for Factors with significant ANOVAs

Factors with significant Racial Differences	Scale	African	Coloured	White	Total
		N = 288	N = 207	N = 216	All Races N = 711
A: Work Environment	A	4,3453	4,2171	4,2300	4,2729
A: Benefits	A	3,4858	3,3439	2,9213	3,2730
A: Development	A	4,2396	4,0612	3,7415	4,0363
Retention		3,1385	3,1797	3,5843	3,2859

**4.7.3 Summary of Variance Analyses**

The variance analyses demonstrated more similarities between the gender, age and racial cohorts than differences in terms of the importance attached to and experiences of the talent management factors. Notable variances included women’s lower levels of satisfaction with experienced leadership styles and Millennials low satisfaction ratings of cash and working environment. There are, however, significant differences when it comes to retention across all

groupings with women, Millennials, and Africans. Also, Coloureds indicated higher retention risks than the other groupings.

### 4.8 Summary of Main Findings

This chapter has detailed the findings of the empirical element of this study. The EFA of the three datasets, namely the responses to the Importance (A scale) ratings of the talent management questions, the current employer ratings (B scale) of the same questions and the retention questions yielded factor structures comprising five validated factors for the A structure, five for the B structure and one for retention. The A and B factor structures were largely aligned, but in a significant finding, a factor relating to cash rewards was present in the B structure, though absent in the A structure.

Mean scores were calculated for both the A and the B responses for each of the 10 talent management factors and the relative scores and differences analysed. In terms of A (importance ratings), leadership was found to have the highest ranking followed by work environment and development in both factor structures. The cash and benefits factors ranked the lowest in terms of importance. However, when mean scores were analysed at a question level, “Your salary” was the highest-ranking question in terms of importance, despite other questions loading on the cash factor such as bonuses, cash incentives and commissions scoring significantly lower in the importance rankings.

Paired sample t-tests between the A and B responses found significant differences between the Importance ratings and ratings of current employer with employer ratings less than importance ratings in every factor. The factor with the largest difference was B: cash, followed by A: leadership, which revealed that these are the areas with the biggest disconnect between expectations and experiences.

Correlations between the factors revealed a significant negative correlation between ratings of current employer in terms of A: leadership styles, A: working environment and A: development and the importance ratings of the B: cash factor. This indicates that positive work experiences reduce the focus on money and vice-versa. Furthermore, B (current employer) ratings on work environment and leadership styles and not cash or benefits have the highest correlations to retention. Even the individual question of “your salary”, which had the highest importance ranking, was only ranked 30<sup>th</sup> out of 64 talent questions in terms of its correlation to the retention factor.



## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

Analyses of variances in the responses between genders, races and generational cohorts revealed more similarities than differences, but significant differences were found regarding the retention factor with females, millennials and non-whites posing greater retention risks.

The implications of these findings are discussed in Chapter 5.

## CHAPTER 5: DISCUSSION

### 5.1 Chapter Preview

This chapter entails a discussion on the implications of the empirical findings of the study in the context of the literature review and answers the questions posed by the study. The main question, namely “How effective are talent management strategies in driving retention in South Africa?” will be answered by first reviewing sub-questions 2-5, namely:

- Question 2: Which aspects of talent management are the most important to South African employees?
- Question 3: To what extent are expectations around these aspects (importance ratings) being met by employers?
- Question 4: Which aspects are the strongest drivers of retention?
- Question 5: Are there any significant differences based on age, ethnicity or gender?

Based on the answers to these four questions, and the key findings from the literature review, Question 1 will be answered lastly, namely:

- Question 1: What is a fit for purpose talent management strategy for a diverse, emerging economy?

### 5.2 Q2: Which aspects of talent management are the most important to South African employees?

To answer question 2 the A scale (importance rating) answers to the talent management questions both at a factor level and at an individual question level are examined. Before looking at the empirical findings, however, consider that the literature review revealed overwhelming evidence of the pre-eminence of cash rewards in South African studies with base pay and cash benefits being the most important and the highest reported factor in driving attraction, retention and motivation (Bussin & Thabethe, 2018; Bussin & van Rooy, 2014; Pregolato et al., 2017; Snelgar et al., 2013). In terms of motivational theory, these studies confirmed that South African employees are still focused on the physical or existence needs at the bottom end of Maslow’s and Alderfer’s needs hierarchies and questioned the relevance in the South African context of Herzberg’s two-factor theory, which classifies cash as a hygiene factor and not a motivational driver.

### 5.2.1 EFA factor loadings

On the basis of the above research, one would expect the questions relating to cash benefits to emerge as a strong factor on the EFA and that it would score relatively high on the A (importance) scale. However, when running the EFA on the A (importance rating) dataset, no cash factor emerged and no questions relating to any type of cash reward loaded on any of the A factors. Therefore, in effect, as far as the importance ratings were concerned, cash was not a factor.

An EFA was also conducted on the B (rating of current employer) data set and whilst four of the five factors were similar to the A factor structure, the exception was a unique factor emerging in the B factor structure that related to cash and cash benefits (see Table 4.6 in Chapter 4). Although cash was not a factor in the A (importance) scale, it was a clear factor when it came to the B scale (rating of current employer) on the same questions asked of the same respondents. This finding supports Herzberg's theory that cash or monetary rewards are indeed more hygiene factors which demotivate if not present, but are not in themselves motivators.

### 5.2.2 Mean factor scores

Because of the variation in the factor structures between the A and B datasets, to answer the question of which aspects of talent management are the most important to South African employees, the mean factor score of the A (importance) responses across both the A and the B factor structures were calculated. A summary of the mean factor importance scores as well as factor structure and overall factor rankings can be seen in Table 5.1.

In both factor structures, leadership style was rated the most important factor followed by work environment and development respectively. The cash factor ranked 4<sup>th</sup> on the B factor structure, and overall 6<sup>th</sup> out of the 10 factors. Benefits and incentives were the lowest scoring factors in both structures and overall.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Table 5.1: *Importance ratings by factor*

<b>Factor Name</b>	<b>Mean Factor Score A (Importance) Responses</b>	<b>A Factor Structure Ranking (Importance)</b>	<b>B Factor Structure Ranking (Importance)</b>	<b>Overall Factor Ranking</b>
A: Leadership Style	4,32	1		1
A: Work Environment	4,27	2		2
A: Development	4,04	3		7
A: Social connectedness	3,86	4		8
A: Benefits	3,27	5		9
B: Leadership Style	4,23		1	3
B: Work Environment	4,21		2	4
B: Development	4,11		3	5
B: Cash	4,08		4	6
B: Benefits and incentives	3,20		5	10

Therefore, when considering the factor scores, it can be concluded that leadership is rated the most important aspect of talent management followed by a positive working environment and good development opportunities. Cash and benefits are less important factors which is contrary to research trends cited in the literature review. However, further analyses of the factors included in the studies reviewed found that most used the World of Work Total Reward framework or similar models that did not specifically include separate leadership or work environment dimensions as measured in the current study. The reviewed studies focused more on aspects such as recognition, work-life effectiveness and performance management (Bussin & Thabethe, 2018; Bussin & van Rooy, 2014; Mikokoma, 2008; Pregolato et al., 2017; Snelgar et al., 2013). Items relating to these factors were also not found to be rated highly in this study.

### 5.2.3 Importance Ratings by Question

The factor level results prompted the researcher to conduct a deeper analysis at an individual question level. Mean question scores on the A responses were calculated and ranked from highest to lowest. Table 4.9 in Chapter 4 shows the 15 questions with the highest A (importance) scores. The single highest question in terms of importance ratings was “Your salary”. However, of the other three questions that loaded on this factor, “Bonuses...” was ranked 7<sup>th</sup>, whilst “Cash incentives” and “Output-based commissions/incentives” were ranked 51<sup>st</sup> and 55<sup>th</sup> respectively. Although the study does not provide reasons for these low ratings, it could be due to a lack of trust in the measurement system upon which these performance-based rewards are met. Regardless of the reasons however, the low ratings explains the overall low importance ranking of the B: cash factor. Therefore, whilst overall, cash rewards including bonuses, commissions and incentives scored lower than other factors such as leadership, work environment and development, the salary component of cash is still of primary importance to South African employees. However, all but one of the remaining top 15 questions relate to either leadership or work environment and are significant evidence of the importance of these factors.

### 5.2.4 Conclusions to Question 2

On a factor level, the answer to the question: “Which aspects of talent management are the most important to South African employees?” is clearly leadership followed by work environment and development opportunities. Since these three are strongly correlated (see B scale correlations on Tables 4.10 and 4.11) it can be argued that quality leadership impacts both work environment and development opportunities and is, therefore, the single most important factor that South African employees desire from their employers. However, the importance of the component of cash, namely “your salary” cannot be ignored as it is still the highest ranked of all 64 talent management questions. Nevertheless, the fact that it did not load on the A factor structure supports the theory that although important, salary is a hygiene factor that needs to be present and adequate to prevent demotivation, but the true motivating potential of the employee’s work experience lies in quality leadership, a positive overall work environment and good development opportunities. Whilst not specifically called out in popular total reward frameworks (Total Rewards Model, 2018), talent managers need to be cognisant that overall, leadership and working environment are deemed more important and potentially more

motivational than what are typically regarded as ‘rewards’ and, therefore, need to be a critical component of any talent management strategy.

### **5.3 Q3: To what extent are expectations around these aspects (importance ratings) being met by employers?**

In order to examine the extent to which expectations are being met by employers, the difference between the importance (A) ratings and the ratings of current employer (B) were reviewed. If the results were similar or had no significant difference, one could say that expectations are being met. However, when comparing the differences in A versus B mean factor scores for all talent management factors, significant differences occurred for all 10 factors and the effect size of these differences were found to be large for eight of the 10 factors and medium for the remaining two. See Table 4.8 for a summary of these findings. It can, therefore, be concluded that expectations are not being met for any of the talent management factors and that in all aspects, most employees’ experiences at their current employers fall significantly short of their expectations.

#### **5.3.1 Cash: An Unhappy King**

The question then turns to which factors have the biggest differences between importance and employer ratings. Table 5.2 shows the differences in the A versus B mean factor scores and the relative ranking in terms of the size of the differences. The B: cash factor is the factor with the largest difference followed by B: benefits and incentives and leadership style. This finding is consistent with the findings of Snelgar et al. (2013) that cash is the reward with which employees were the least satisfied and demonstrates that whilst B: cash did not feature amongst the most important factors, it has the highest demotivating potential as a hygiene factor in terms of Herzberg’s theory.

On an individual question level, Table 4.10 in Chapter 4 shows that the cash elements of bonuses and salary are 1<sup>st</sup> and 4<sup>th</sup> in terms of differences between importance and employer ratings, which further support the factor level findings.

#### **5.3.2 Leadership Competence**

Of concern are the differences in A versus B responses in leadership style on both factor structures. As the factor rated most important by respondents, the relatively low ratings of

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

current employers should sound a warning bell to South African businesses concerning their failure to develop competent leaders. Given the criticality of leadership in delivering positive individual and organisational outcomes as demonstrated in numerous well publicised global studies (Buckingham & Coffman, 1999; Collins, 200; Corporate Leadership Council, 2015) as well as recent South African studies (Munyaka et al., 2017; Shabane et al, 2017), the disconnect between expectations of leadership and reality is both disappointing and alarming and needs to be addressed.

Table 5.2: *Differences in Mean Factor Scores*

Factor Name	Mean Factor Score A Responses	Mean Factor Score B Responses	Diff A vs B Means	A Factor Ranking (differences)	B Factor Ranking (differences)	Overall ranking (differences)
B: Cash	4,08	2,82	-1,25		1	1
B: Benefits and incentives	3,20	2,14	-1,06		2	2
B: Leadership Style	4,23	3,25	-0,98		3	4
B: Development	4,11	3,18	-0,93		4	6
B: Work Environment	4,21	3,33	-0,88		5	8
A: Leadership Style	4,32	3,30	-1,02	1		3
A: Work Environment	4,27	3,34	-0,94	2		5
A: Benefits	3,27	2,36	-0,91	3		7
A: Social connectedness	3,86	3,05	-0,80	4		9
A: Development	4,04	3,30	-0,74	5		10

### 5.3.3 Are unfulfilled leadership expectations keeping cash on the throne?

The results indicated that respondents are most dissatisfied with their cash packages whilst their experiences of leadership fell short of their high expectations.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

This raises the question of whether the focus on cash is somehow related to poor employee work and leadership experiences.

An incidental finding emerging from the correlational studies appears to support this notion. Negative correlations were found between the importance ratings of cash and the reported experiences of leadership, work environment, social connectedness and development showing that the more satisfied respondents are with these factors, the less importance they place on cash (see Table 4.11). The converse would also be true, namely that employees who are less satisfied with their experiences of leadership, environment, connectedness and development place more importance on cash. This supports Alderfer's ERG theory, particularly the suggestion offered in Chapter 2 that the failure of South African leadership to address relatedness and growth needs, is causing employees to regress to a primary focus on the existence needs of cash and cash rewards. Cash, particularly basic salary, is indeed still an unhappy king, but the results of this study indicate that it is frustration with higher order needs that leadership is failing to provide, which keeps it there.

### **5.3.4 Conclusions to Question 3**

In order to answer the question of whether expectations around aspects of talent management are being met by employers, the simple answer is "no". This is due to the significant differences found between importance ratings and current employer ratings on all factors.

Cash, although not the most important factor, showed the greatest discrepancy between the two scales indicating that it is the greatest source of discontentment. Leadership, which was rated the most important factor, fell significantly short in terms of actual employer ratings as did other factors that strongly correlate to leadership such as work environment, development and social connectedness.

The small, yet significant negative correlations between cash importance ratings and experiences of leadership, work environment, development, and social connectedness support the theory based on Alderfer's work that the failure of leadership to meet higher order relatedness and growth needs results in frustration and regression to the existence needs of cash and could explain the preoccupation with monetary rewards in most studies cited.



**5.4 Q4: Which aspects are the strongest drivers of retention?**

A clear and definitive answer emerged to the question of which aspects of talent management are the strongest drivers of retention. This is outlined below.

**5.4.1 Factor Level Correlations**

Table 5.3 summarises the factors with significant correlations to retention and illustrates that retention correlates mostly to current employer ratings on B: work environment (p = 0.548) followed by B: leadership style (p = 0.529) and B: development (p = 0.524). With p values above 0.5, these correlations are considered large (Hair et al., 2014), and therefore a strong relationship exists between them and the retention factor.

Regarding the findings to the previous questions, B: cash merely indicated a medium level of correlation (p = 0.373), whilst B: benefits and incentives showed a significant but low level of correlation to retention (p = 0.270). This is consistent with international research that found compensation to be less of a factor in retention than in attraction (Corporate Leadership Council, 2015) and also supports the theory referred to earlier that it is more a hygiene than a motivational factor.

In addition, a small but significant negative relationship between retention and the deemed importance of the A: benefits and the A: development factors, was found. This suggests that a stronger desire for these factors correlates with a higher retention risk.

Table 5.3: *Factors with significant correlations to Retention*

Factor	Rating Scale	Correlation to Retention (p)
B: Work Environment	B	.548**
B: Leadership Style	B	.529**
B: Development	B	.524**
B: Cash	B	.373**
B: Benefits and incentives	B	.270**
A: Benefits	A	-.116**
A: Development	A	-.076*

In order to understand the specific retention drivers further, each of the 64 talent management questions were correlated to the retention factor. Table 4.12 in Chapter 4 details

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

the correlations (p values) of the mean A and B response scores of each question to the mean retention score. It is clear that the higher correlations were from items from the leadership and talent attraction questionnaires that loaded on the leadership, work environment and development factors. A significant finding is that the items related to cash benefits only had low to medium correlations to retention. The question “your salary”, which scored the highest in importance rankings ranked only 30<sup>th</sup> in terms of its correlation to retention. This directly contradicts previous research in which respondents reported base pay as the highest drivers of retention (Snelgar et al., 2013; Bussin & Toerien, 2015). The key differences in these research approaches, however, was that these studies directly asked respondents to rate different reward elements in terms of their ability to retain them, whereas the present study correlated the responses to retention versus various talent management questions and factors. This could indicate that retention drivers are more sub-conscious in nature. The impact of leadership and work environment may not be uppermost in employees’ minds when asked to rate their importance in retaining them, but their true, possibly unconscious impact may be greater than previously reported.

### **5.4.2 Conclusions to Question 4**

The results of this study indicate that ratings of employers on the work environment, leadership and development factors have the highest correlation to the retention factor and this is confirmed by question-level analyses. The lesser impact of cash and rewards is surprising given the outcome of previous studies and the prospect that retention is influenced by unconscious motivations presents an opportunity for further research.

### **5.5 Q5: Are there any significant differences based on age, ethnicity or gender?**

The variance analyses revealed more similarities in responses than differences between genders, ages and races, but found a number of significant differences, as detailed in Tables 4.13 – 4.17 in Chapter 4 and summarised in Table 5.4 below.

**EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

Table 5.4: *Summary of significant differences by factor*

		A RESPONSES (Importance)			B RESPONSES (Rating of current ER)		
DATA SET	Factor Name	Gender	Age	Race	Gender	Age	Race
<b>BA Factors</b>	A: Leadership Style	M>F					
	A: Work Environment		BB<GX	A>C			
	A: Benefits		BB<GX & Mill	W<A&C			
	A: Development		BB<GX & Mill	A>C>W			
	A: Social connectedness	M>F					
<b>BB Factors</b>	B: Leadership Style				F<M		
	B: Work Environment					Mill<GX	
	B: Benefits and incentives	M>F					
	B: Development		Mill<GX&BB				
	B: Cash					Mill<GX&BB	

	Gender	Age	Race
Retention	F<M	Mill<GX&BB	W> A&C

Key: M = Males; F = Females, BB = Baby Boomers, GX = Gen X, Mill = Millennials, A = African, C = Coloured, W = White

**5.5.1 Gender differences**

Men were more ‘demanding’ in terms of the importance rating that they gave to the A factors of leadership style and social connectedness and the B factor of benefits and incentives. The more important finding however, was that females’ ratings of current employers on the B:

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

leadership rating were significantly lower than Males'. Females also showed a stronger retention risk with significantly lower scores on the retention factor. This indicates that women do not experience leadership as positively as men, which may explain their lower retention ratings and the need for more gender inclusive leadership styles in the workplace. However, the fact that there are no gender differences in the experience ratings of any of the nine other talent factors, is encouraging indicating that in other respects, the experiences of men and women are on par.

### **5.5.2 Age differences**

Table 5.4 shows that for importance ratings on the A factor structure, Baby Boomers placed less importance on work environment, benefits and development than their younger counterparts, although Millennials showed significantly less importance on the B: development scale than their younger counterparts.

The most significant age differences were however, the Millennial's experience ratings of their work environment and cash, which are both significantly lower than their older colleagues. Millennials also scored significantly lower on the retention factor. This demonstrates that millennials are less happy with their work environments and their salaries and pose a significantly higher retention risk than other age groups.

### **5.5.3 Racial differences**

Across race categories, the only differences were importance ratings on three of the A factors and retention. Africans rated work environment higher than Coloureds, and Whites' importance ratings of benefits was significantly lower than their African and Coloured counterparts. In terms of development importance, all three groups differed significantly from one another with Africans attributing the highest importance ratings followed by Coloureds and then Whites. The most significant finding however, in terms of race was that Africans and Coloureds scored lower on the retention factor indicating that this group pose a higher retention risk.

### **5.5.4 Conclusions to Question 5**

The variance studies showed more similarities than differences across the talent management factors, but the differences in retention ratings were significant across all cohorts.

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

The most notable differences in the talent management factors were women's lower rating of employers on the factor of B: leadership and Millennial's lower employer ratings on the B: work environment and B: cash factors.

The most significant variance however, was in the retention factor with women, millennials and non-white employees scoring considerably lower in retention than their male, older and White colleagues. This is consistent with reported higher turnover rates amongst these cohorts (Khoele & Daya, 2014; Nzukuma & Bussin, 2011). Since millennial's are critical to current and future talent pipelines and employers are required to develop and promote women and non-white employees considered previously disadvantaged in terms of the Employment Equity Act, retaining these groupings needs to be a critical element of any integrated talent management strategy.

### **5.6 Q1: What is a fit for purpose talent management strategy for a diverse, emerging economy?**

In the light of both the literature review and the empirical findings of this study, crucial elements of a fit for purpose talent management strategy for a diverse, emerging economy such as South Africa's will be proposed. The literature review revealed how practitioners and academics vary in their definition of talent management and offered different frameworks outlining its components. Most included aspects such as attraction, retention, performance management, succession planning and development planning. They set out processes which identify future talent needs, assess current talent and formulate plans to close identified gaps. Most models are complex, and many organisations have elaborate talent strategies, but as seen in this study and those cited, talent strategies often fall short in their execution. It is not the intention of this study to develop another framework of talent processes and initiatives, but rather to suggest crucial components that must be addressed in South African talent strategies and to comment on the already comprehensive models offered by reputable South African organisations and authors.

#### **5.6.1 SABPP's Strategic talent management process**

Marius Meyer, the former CEO of South African Board for People Practice (SABPP), outlines the SABPP's talent management standard, which comprises a process of developing the long-term talent demand/supply forecast, a talent review to understand current talent and

the gaps compared to the forecast as well as the talent management systems and interventions which address these gaps. These are collectively defined as strategic talent management. The talent management systems include job profiles, skills audits, development plans, career development, talent reviews and communication strategies, whilst the talent interventions include sourcing strategies, on-boarding, accelerated development, links to performance management and reward. (Meyer, 2018).

Whilst acknowledging that the talent management standard falls within the broader SABPP HR framework, it does not cover the aspects that this study found to be factors most important to employees (see Table 4.8) and having the biggest impact on retention, namely leadership, the work environment and development (see Table 5.3). Although a process to identify future talent gaps as well as the core talent management systems and interventions outlined in the standard are important tools, as this study has found, if not supported by a foundation of competent leaders, conducive working environments and a strong development ethos, these systems and interventions will not have the desired impact.

### **5.6.2 Organisational Culture as a critical talent management imperative**

Terry Meyer (2016) outlined in his book *Shaping Africa's talent*, a comprehensive talent management framework which is grounded in an evaluation of the external context as well as the organisational culture. He highlights that in some cases, talent strategies may require the organisation to change its culture in order to increase the likelihood that high potential employees from diverse backgrounds will 'fit in', which speaks to the concept of Person-Environment fit and diversity covered in the literature review as well as the factor of work environment which this study found to be the biggest retention driver (see Table 5.3). In the South African context, it is evident from the dismal employment equity scorecards (Commission for Employment Equity, 2018), high turnover rates amongst previously disadvantaged groups (Khoele & Daya, 2014; Nzukuma & Bussin, 2011), and the findings in this study of higher retention risks amongst non-Whites, women and millennials (see Table 5.4) that our organisational cultures have not transformed and that there is a long way to go in building the social capital and cultures that will not only attract, but develop and retain talented employees from across the South African rainbow. There is a hard business case for the so-called soft aspect of culture. In Meyer's book, Tracy Potgieter highlights the pivotal role that a values-driven, leader-led organisational culture played in the transformation and success story

of Coca-Cola Sabco (Potgieter, 2016). The author witnessed this first-hand during her 17-year tenure with the business and can attest to the power of a carefully crafted, leadership endorsed culture to attract and retain top talent and drive business outcomes across diverse cultures spanning two continents. The factors of leadership, work environment and development that emerged as most important to employees (see Table 5.1) and as the strongest drivers of retention in this study (see Table 5.3), are shaped by the culture of the organisation. Therefore, although some may argue that organisational culture falls outside of the domain of talent management, it is key to the success of talent initiatives and should form part of any talent strategy, particularly in the South African context.

### **5.6.3 Linking talent to business value**

Steve Bluen in his book *Talent Management in Emerging Markets* (2013), also sets out a talent framework which in the light of the research and empirical findings is probably the most comprehensive and appropriate in the South African context. The departure point for the framework is the importance of its alignment to business strategy and its impact on business results. He argues that the first challenge practitioners face is to create a compelling business case for talent management, an argument that is gathering increasing support with concepts such as talent value management (Pandy, 2017), Mckinsey's call to link talent to value (Barriere et al., 2018) and Ulrich's argument that market value can be significantly impacted by demonstrating the value of an organisation's talent, particularly its leadership (Ulrich, 2016). The hard business case for what is often seen as a soft, nice-to-have, is clear and talent practitioners have both an opportunity and an obligation to drive business value through effective talent processes.

### **5.6.4 Leading talent**

Bluen (2013) identified key role players in talent management, ranking leaders at the top of his list. Terry Meyer's model (2017) specifies leading talent as one of the key components of his talent management framework and states that "no matter how good the HR talent processes and practices are, they will never replace high-quality leadership." The outcomes of this study which showed leadership as the most important talent factor (see Table 5.1), its strong correlation to work environment and development (see Tables 4.11 – 4.12) and the fact that it had a far stronger correlation to retention than cash rewards and benefits (see Table 5.3) highlight the criticality of leadership in any talent framework. Leaders are the catalysts that

bring any talent initiative to life and without strong leaders taking ownership of the talent agenda, talent practices are reduced to HR driven, form-filling exercises which do little to drive engagement and retention and certainly do not drive business results (Pandy, 2017). The development of strong leaders and a distinctive leadership brand is therefore a key success factor in any talent strategy.

### **5.6.5 Developing talent**

All the talent management models reviewed, incorporate development as a key component (Bluen, 2013; Meyer, 2018; Meyer, 2016;). Development opportunities have previously been identified as an element of the employee value proposition (Chambers et al., 1998) and is articulated as an important factor in the World of Work total reward framework (Total Rewards Model, 2018). The importance of the development factor (see Table 5.1) as well as its strong correlation to retention (see Table 5.3) has been demonstrated empirically in this study and should be included in any talent management strategy. Central to most talent strategies are succession planning processes which typically culminate in development plans for identifying high-potential talent. However, as Meyer (2016) points out, elaborate plans are drawn up only to discover the following year that no progress has been made allowing the same plan to be rolled over till the following year. The development focus of talent management strategies therefore needs to go beyond an annual succession and development planning process. It must be integrated into the values and culture of the business (Potgieter, 2016), be institutionalised through focused development programs and strategies to support the talent pipeline and must be supported by capable, talent focused leaders who provide on-going coaching and development to their teams.

### **5.6.6 Rewarding talent**

Compensation and benefits typically falls outside of the scope of talent management, but both cash and other rewards in so far as they are designed to recognise and reinforce good performance are linked to talent management and often designed to motivate and drive retention. McKinsey set “differentiate and affirm” as a talent imperative and included “great rewards” as an element of the employee value proposition. Therefore, they incorporated reward into the talent management realm from its outset (Chambers et al., 1998). The literature review cited a number of South African studies that found monetary rewards to be the most important drivers of attraction and retention (Bussin & Thabethe, 2018; Bussin & van Rooy,



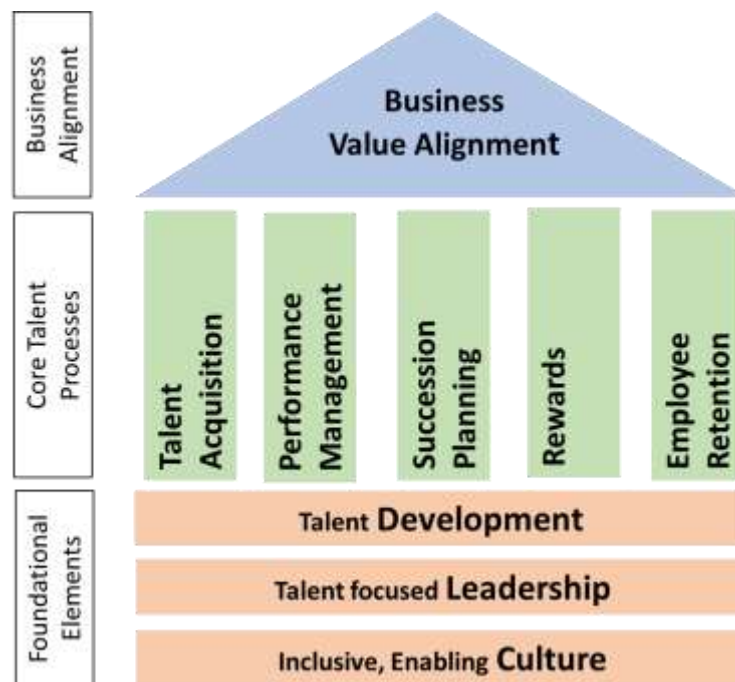
2014; Pregnolato et al., 2017; Snelgar et al., 2013), although this study found the cash factor to rank lower in importance to those of leadership, work environment and development and it had a lower correlation to retention than all of these factors. This study supports the idea that cash rewards are a hygiene rather than a motivating factor and has shown that leadership and work environment rank higher than what are typically regarded as rewards in total rewards frameworks. It also showed a negative correlation between employees' experience of leadership, work environment and development and the importance they place on cash. This demonstrates that as a hygiene factor, basic salary and benefits need to be market-related and competitive in order to remove any unhappiness around them, but that in developing total rewards and retention strategies, organisations must guard against an over-reliance on monetary rewards to generate commitment and drive retention. They should focus more on creating great, inclusive working environments, fostering authentic, empowering leadership and providing opportunities for growth and development.

### 5.6.7 Conclusions to Question 1

#### **What is a fit for purpose talent management strategy for a diverse, emerging economy?**

There is no singular answer to the question of “what is a fit for purpose talent management strategy for a diverse, emerging economy” since this will vary from organisation to organisation depending on their business needs and the maturity of their talent processes. Since implementation is often a significant impediment, a ‘less is more’ approach is recommended, and organisations should focus first on the most critical aspects of talent management that would best serve their business needs. The specific aspects and initiatives will vary, but considering the outcomes of this research, key ingredients in any talent management strategy in South Africa are proposed. The proposed model is illustrated in Figure 5.1 and described below.

**Business value alignment.** Talent management strategies must directly contribute to business value and must be aligned to business strategies. The talent process should start by identifying critical business value drivers, distinctive organisational capabilities and critical roles that drive value (Pandy, 2017). Talent processes must then be focused on creating the human and social capital required to drive business strategies.



**Figure 5.1: Elements of a fit for purpose talent management strategy in South Africa**

**Inclusive, enabling organisational culture.** Organisations must carefully diagnose their current cultures and clearly articulate and actively shape cultures that are both inclusive and supportive of business goals. Culture has a strong impact on an employee’s experience of the working environment, which this study has shown to be the strongest driver of retention (see Table 5.3). In the South African context, organisations that foster strong, inclusive cultures will achieve both their business and equity goals and will find that culture is a more powerful weapon than cash in the equity talent ‘war’.

**Talent focused leadership.** The data clearly shows that employees across all ages, races and genders rate leadership as the single most important factor (see Table 4.8) and that leadership strongly correlates to retention (see Table 5.3) and is negatively correlated to the importance placed on cash rewards (see Table 4.13). It is thus crucial to the effective implementation of any talent initiative that strong leadership capability must be developed at all levels of the organisation from front-line to the CEO.

**Talent Development.** Employees are more likely to stay with organisations where they see a future for themselves and where they can develop and grow. The correlation between development and retention in this study supports this (see Table 5.3). Organisations must therefore, have a strong development focus with a blended developmental offering ranging

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

from on-the-job coaching to formal training curricula to developmental assignments. Where true business value alignment has been achieved, development will not only retain talented employees, but will also contribute to the bottom line.

**Core talent management processes.** Ironically, many organisations and practitioners do not include the elements of culture, leadership and development within the definition of talent management. They often fall under separate functions such as Organisational Development or HR Development but regardless of where they are positioned within the business, they are critical foundational elements for what are considered core talent management interventions. For example:

- **Talent acquisition** may portray an enticing employer brand and may be able to attract good talent, but no amount of corporate marketing will make them stay if they experience poor leadership or a culture where they cannot fit in.
- **Performance management systems** without capable leaders to set aligned performance expectations, provide development and coaching, give meaningful feedback and guide effective career discussions can easily degenerate into contentious form-filling exercises.
- **Succession planning** exercises without the means to develop and prepare identified potential for future roles become futile exercises.
- **Reward systems**, particularly those based on performance lose their impact and become demotivational and contentious when employees don't trust the objectivity of their managers in evaluating performance or allocating rewards.
- **Retention plans** without inclusive, enabling organisational cultures revert to various forms of costly financial rewards and incentives in an effort to entice people to stay.

Therefore, the core talent management strategies of talent acquisition, performance management, succession planning, reward and retention are dependent on the foundational elements of culture, leadership and development for their success. A fit for purpose talent management strategy would first ensure that these foundations are strong enough before embarking on core talent initiatives or limit their extent to fit the maturity of the foundational elements. It will also ensure that all initiatives, both foundational and core are fully aligned to deliver business value, are regularly evaluated and where necessary, adjusted based on changing business requirements.

### 5.7 Summary of Discussion Chapter

The main question of this study asks, “how effective are talent management strategies in driving retention in South Africa?” The short answer to this question is “not very effective at all.”

The study found significant differences between importance ratings and ratings of current employers in all talent management factors demonstrating that employees’ experiences of talent management strategies fall well short of their expectations and could therefore not be considered strong retention drivers.

Furthermore, the study found that despite a strong reliance amongst South African employers on monetary rewards and benefits as retention drivers, these have a weaker correlation to retention than the factors of leadership, work environment and development. This indicates that high turnover rates have less to do with inadequate pay and benefit structures and more to do with poor work experiences, leadership inadequacies and a lack of developmental opportunities.

It also showed that the failure of organisations to meet employees relational and growth needs through inclusive and enabling leadership, work environments and development opportunities could be the reason why employees are so focused on cash rewards. Cash is still an important driving force, but it is due to a lack of good leadership. Organisations may think that cash is the key to retention, but other organisations have the same key. However, employees who have a sense of belonging, who love their work, connect with their leaders and who can see a bright future for themselves in the organisation cannot easily be enticed away by a few extra rand or a free gym membership. Therefore, the departure point for any talent strategy must be the foundational elements of culture which impacts work environment, leadership and development. These are critical success factors in talent strategies such as attraction, succession planning, and performance management and in particular, retention.

## CHAPTER 6 CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

### 6.1 Chapter preview

This chapter summarises and discusses the main findings of the study, the support that it provides to motivational theory as well as the implications for talent management strategies. Limitations of the study as well as recommendations for future research are also offered.

### 6.2 Summary of Main Findings

#### 6.2.1 What Employees Really Want

The study found that respondents rated leadership style as the most important factor followed by work environment and development. Contrary to other research cited in the study, cash was rated as less important than these three factors, whilst benefits and incentives were rated as the least important factor.

The findings regarding monetary or cash rewards have significant implications for talent strategies. Firstly, cash did not load as a factor on the A (importance) scale of the talent management questions and no items relating to cash loaded on any of the A factors. However, cash was a clear factor on the B rating scale with four items relating to salary, bonuses, cash incentives and commissions loading on this factor. Therefore, in terms of importance ratings, cash was literally not a factor, but when it came to rating current employers it factored. This supports Herzberg's two-factor theory that cash is a hygiene factor rather than a motivator.

The second important finding regarding the importance ratings of cash was that although overall the cash factor was only the 6<sup>th</sup> most important out of 10 talent management factors, the one question "your salary" received the highest importance rating out of all the talent management questions. This indicates that although overall, the cash factor ranks low, the cash component of salary is still important. However, at an individual item level, all but two of the top 15 most important questions related to leadership and work environment. Thus, the importance of creating an enabling work environment and nurturing strong leadership cannot be underestimated and must feature in any talent management strategy.

### 6.2.2 Cash the Imposter King

Another key finding of the study was the significant and statistically large gap between importance and experience ratings demonstrating that in general, talent management strategies are failing to live up to expectations.

Cash, although not the most important factor, emerged as the one with the biggest difference between expectations and experiences with the largest effect size presenting cash as a disgruntled king in the South African context. Alongside cash, however, are what could be argued (given the higher importance ratings) is the rightful heir to the throne, namely leadership accompanied by the two princes of work environment and development. However, this trio has also failed dismally to deliver to expectations and in so doing, it could be argued, have abdicated their throne to the despot cash king.

Supporting this argument are the significant negative correlations found between the importance placed on the cash factor and the experience of leadership, work environment and benefits. This shows that employees who are less satisfied with this trio place more importance on cash, whilst the opposite is also true, namely that higher satisfaction ratings in these areas is correlated with lower importance attached to cash.

Other empirical evidence in this study pointing to the true supremacy of the leadership, work environment and development trio over cash are correlations with retention. These three factors all had stronger correlations to retention than both cash and benefits. Whilst cash and benefits were significantly correlated to and therefore a factor in retention, the important finding was that the leadership, work environment and development trio were each more strongly correlated to retention than cash and benefits and are therefore, a relatively greater retaining force than previous studies found.

This presents an opportunity for employers who are relying on monetary rewards as a primary retention mechanism to rethink their talent strategies. Instead of focusing their resources on feeding a king (cash) that will never be satisfied, they should start paying more attention to those factors that have more motivating and retaining potential. Although there is no doubt that competitive remuneration is a critical hygiene retention factor and must be offered, employers that employ, develop and promote better leaders, foster cultures that create positive, inclusive working environments and invest in meaningful development will win the war on talent. In doing so, they will drive a quiet revolution with strong leadership deposing the tyrannical cash king.

### 6.2.3 Demographic differences and similarities

South Africa has a diverse population and this research highlighted the failures of organisations to create truly inclusive, diverse workforces and the slow progress in meeting employment equity targets. It was, therefore, important to review the demographic differences in the ratings of each factor. Overall, the study found more similarities than differences, but the differences found were significant.

Of the talent factors, the importance ratings showed the most number of differences with men placing more importance on A: leadership style, A: social connectedness and B: benefits and incentives than women. Baby Boomers were found to be less concerned with the A factors of working environment, benefits and development than the younger generation, whilst Millennials placed less importance on B: development. Across the race groups, Africans placed significantly more importance on working environment than Coloureds, and Whites were less focused on benefits than the other groups. There were significant differences between all groups in terms of their importance ratings of development with Africans rating it highest, followed by Coloureds and then Whites.

Upon examination of variances in the ratings of current employers, there were fewer differences. Notably, there were no differences across the race groups in how they rated their employers. Only one out of the ten factors showed a significant difference by gender with females rating their current employers lower on B: leadership style, but given the demonstrated importance of leadership in retention, this must be addressed. Millennials showed significantly lower employer ratings on the factors of B: work environment and B: cash than the older generations sending a warning sign to organisations that unless leadership addresses issues in the work environment, cash is destined to stay on the throne.

Of all the factors however, the most concerning is women, millennials and non-whites showing the greatest retention risks. Women and millennials could be explained by significantly lower employer ratings on some of the talent factors, but in theory one would expect to see variances between races on current employer ratings in the talent factors to explain the significantly lower retention risks of Whites relative to Africans and Coloureds. This could suggest that it may be more external factors such as employment equity that is the differentiator in the relative retention risks across race groups than differences in workplace experiences. However, the greater importance that Blacks and Coloureds place on the factors of working environment and development indicate that these are specific opportunity areas to

enhance retention amongst Black and Coloured employees and key to any Employment Equity strategy.

### 6.3 Value of the study

This study provides empirical support for two motivational theories, namely Herzberg's two-factor model which classifies cash as a hygiene factor and Alderfer's existence, relatedness, growth (ERG) model. It also offers insights into the prerequisites for the success of talent management models and offers advice on key retention drivers.

#### 6.3.1 Support for Herzberg's Two-Factor Model

Herzberg's two-factor or hygiene-motivator theory stemmed from research in which he found that people answered questions about their good work experiences very differently from the ones about their bad experiences. He concluded that whilst some factors such as achievement, recognition, responsibility and opportunities for growth were generally described as motivators or satisfiers, factors such as salary, benefits and the physical workplace were usually described as bad experiences and termed them hygiene factors or demotivators. In terms of this theory, therefore, salary and benefits are regarded as hygiene factors that have the potential to demotivate if not deemed adequate but are not in themselves a source of motivation or satisfaction (Bagraim, 2011).

In this study, the fact that no questions related to cash loaded on the A (importance) factor structure but were a factor on the B scale (rating of current employer), the finding that it was only the 6<sup>th</sup> most important factor out of 10 and the finding that respondents showed the greatest degree of dissatisfaction with the cash factor supports the theory that it is a hygiene factor with more demotivating than motivating potential. This is further supported by the weaker correlation of the cash and benefit factors to the retention factor than retention's correlation to the other factors. These findings run contrary to opinions that in emerging market settings, due to the overwhelming preference found for cash rewards, money is more than just a hygiene factor. This does not mean that cash, particularly basic guaranteed salary is not important to employees. It does however, mean that its ability to motivate and retain is limited. Therefore, if motivation and retention intentions are the language of love in the corporate setting, the old Beatles song rings true, since indeed, it seems that even at work, "money can't buy you love".



### **6.3.2 Does Alderfer's ERG Frustration-Regression Concept Explain our Money Focus?**

Another motivational theory supported by this study is Alderfer's ERG theory, particularly his concept of frustration-regression which holds that if higher order needs of relatedness and growth are frustrated, people will regress to focusing on the lower order existence needs. If these need categories are related to the talent factors of this study, it can be argued that the factors of leadership, work environment and development contribute to the relatedness and growth needs of employees, and that the cash factor contributes to their existence needs. This study has shown that despite the leadership, work environment and development factors being ranked as most important, employees' low experience ratings of these factors indicate that the needs that these factors should be meeting are being frustrated. When looking at the cash factor however, it is evident that this is uppermost in employees' consciousness as evidenced by the single highest importance rating of the question 'your salary' and the very large difference between importance and experience ratings. It can therefore be concluded that respondents have regressed to a strong focus on the existence needs satisfied by cash. This confirms Alderfer's ERG frustration-regression theory and further support can be found in the significant negative correlation between the importance placed on the cash factor and employer ratings on each of the three factors of leadership, work environment and development.

Again, it is evident that frustrations driven by the failures of the true heirs to the motivational throne to meet higher order relatedness and growth needs are keeping cash in power. The good news however, for South African businesses is the hope offered by the flip side of Alderfer's theory, namely the satisfaction-progression concept which holds that if higher order needs are satisfied, focus will move away from the lower order needs. Unlike Maslow who theorised that lower order needs first have to be met before progressing up the needs hierarchy, Alderfer theorised that relatedness and growth needs become more important when satisfied. Therefore, if talent strategies are focused on meeting relatedness and existence needs through inspiring leadership, engaging and inclusive work environments and great development opportunities, the preoccupation with cash will be reduced and employers will unlock the true keys not only to retention, but to a committed, capable and engaged workforce.

### **6.3.3 Implications for Talent Management Strategies**

**The current focus of talent management.** If most HR practitioners had to showcase their talent management strategies, they will probably highlight initiatives such as succession

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

planning, performance management, performance-based reward systems or their recruitment policy and talent retention framework. If questioned how this is aligned to their business strategy, the explanation would include human capital being of strategic importance and the need to develop the organisation's talent pipeline for the current and future needs of the business.

In principle, these answers are acceptable since they address the important talent processes designed to attract, motivate, develop and retain the right talent in order to meet business needs. However, these initiatives without the foundations of an enabling culture creating a conducive work environment, committed and capable leaders and a commitment to learning and development will simply not have the desired impact. Furthermore, talent strategies that are not based on clear and specific linkages to business strategies with demonstrable contributions to business results will degenerate into HR driven tick-box exercises.

**McKinsey's imperatives revisited.** Since it was McKinsey's declaration of the war on talent twenty years ago that sparked the rise of talent management, it is fitting that current practices are reviewed against the battle plan they set out. Figure 6.1 below illustrates their five talent imperatives, whilst Figure 6.2 illustrates the elements of one of these imperatives, namely the employee value proposition (EVP).

When setting out these imperatives, McKinsey did not say "have a great succession planning process" or "build complex performance management tools". They did not say "make sure your recruitment policy is really thorough" or "invest in a full battery of tests to identify potential."

They did however say that organisations must "Instil a talent mind-set at every level of the organisation starting with the CEO" and "make talent management everyone's job". They said, "Create a winning EVP" and drive satisfaction and engagement through a combination of "great company, growth and development, exciting work and wealth and reward." Wealth and reward are important, but not the only or dominant factor in retention. They said, "recruit talent continuously" and encourage all leaders to be talent scouts constantly looking for talent, not only when there is a vacancy. They said "grow great leaders" by deliberately providing stretch challenges, providing candid feedback and weaving mentoring into the fabric of the organisation and lastly, they said "differentiate and affirm" by investing in top performers, whilst addressing non-delivery in a fair and consistent manner (Chambers et al., 1998).

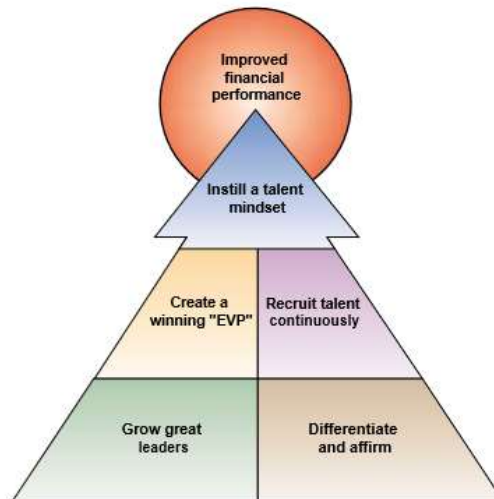


Figure 6.1: McKinsey’s Five Elements of a Successful Talent Formula (Chambers et al., 1998)

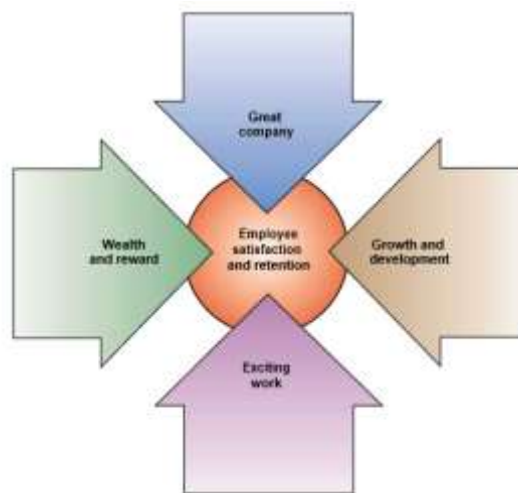


Figure 6.2: McKinsey’s EVP components (Chambers et al., 1998).

**Has talent management lost its True-North?** Undoubtedly, and with good reason, most of what are considered today as core talent management practices such as succession planning, assessment, and performance management, are based on these imperatives. When supported by capable leaders and an enabling culture, they become critical elements in building a strong talent pipeline. However, as is evidenced in this study and other studies reviewed, in most cases their impact falls short of their intentions. The question arises whether the talent management function has become less focused on the underlying imperatives such as instilling a talent mind-set and growing great leaders and has become pre-occupied with specific processes and transactional tools. Could it be that many have failed to address the underlying cultural issues that fundamentally impact an employees’ work experience such as leadership, work environment and development? Most employees are not concerned about the intricacies

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

of their company's talent profiles, succession matrices or the format of the performance management system, but they do care about the quality of direction, coaching and feedback they get from their manager, whether or not they feel a sense of belonging and whether or not they can see a brighter future for themselves in the company than elsewhere. These are real experiences that are informed by the culture which shapes the working environment and determines the kind of leaders that grow and thrive.

**Talent management strategies – firm foundations needed.** Core talent management processes such as succession planning, performance management, talent acquisition, and recognition and reward are the fundamental building blocks of talent strategies but can only succeed if supported by the foundations of work environment, leadership, and development. Whether these fall within the scope of the talent management function or elsewhere in the business, organisations must recognise that a fundamental requirement in attracting and retaining talent is a culture that enables an inclusive, vibrant working environment, develops leaders with a talent mind-set and values and supports learning and development.

### 6.4 Limitations of the Study

A limitation of the research was that the sampling method was a non-probability method, thus not fully representative of the South African working population which limits the generalisability of the results. Furthermore, although the demographics were relatively well balanced, it is not proportionally representative of the South African working population. A more proportional sample would have allowed more meaningful inferences to be made on the data obtained from the study. Lastly, since the questionnaire comprised over 80 questions, it is possible that rater fatigue could have been a limiting factor, but the statistical analyses showed sufficient data integrity.

### 6.5 Recommendations for future research

This study presents three main opportunities for further research.

Firstly, the inverse relationship between the importance placed on cash and positive work experiences and its application to Alderfer's ERG theory, as proposed in this study, warrants further investigation and validation. This study did not specifically set out to test this

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

relationship but was an incidental finding that could have significant impact on the focus of talent management strategies going forward.

Secondly, it is recommended that future studies into retention drivers adopt a more psychodynamic approach in order to analyse the relationship between conscious and unconscious motivational drivers. Whilst other studies that directly ask employees to rank what motivates or retains them, revealed monetary rewards as the most important motivators, this study took a more indirect, correlational approach. The differences in the findings to previous reward and retention drivers suggest that more unconscious motivational drivers may be at play and this warrants further investigation in the context of talent management strategies.

Finally, the interplay between talent management and organisational culture warrants further research, specifically the aspects of organisational culture that best support the talent agenda and specific strategies to develop organisational cultures that optimise economic, human, social, and psychological capital in the South African context.

### 6.6 Conclusion

The war for talent is intensifying and South African businesses are faced with the ongoing challenges of attracting, developing, and retaining capable and diverse workforces. The talent management agenda is thus a critical business imperative and its effectiveness must be reviewed continually.

The main question of this study asked, “how effective are talent management strategies in driving retention in South Africa?” The literature review and empirical findings revealed that employees’ experiences of their organisation’s talent management strategies fall significantly short of their expectations and therefore, it can be concluded that for many organisations, talent management strategies are not having the required impact. This is driven largely by leadership’s failure to own the talent agenda, the degeneration of talent management in some instances into administrative, HR driven processes and the over-reliance on cash rewards as a primary retention mechanism.

The time has come for South African organisations to review their talent management strategies and to pay closer attention to the foundational cultural prerequisites that are critical enablers of core talent processes. Organisations that develop strong leadership displaying both character and competence, who foster enabling and inclusive working environments and invest

## **EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

in ongoing development will win the war on talent, and thus position themselves for success in our ever-changing, VUCA world.

REFERENCES

- Bagraim, J. (2011). Motivating the South African Workforce. In A. Werner, *Organisational Behaviour A contemporary South African Perspective* (3rd ed., pp. 81-113). Pretoria: Van Schaik.
- Barriere, M., Owens, M., & Pobereskin, S. (2018). Linking talent to value. *Mckinsey Quarterly*, (2). Retrieved from <https://www.mckinsey.com/business-functions/organization/our-insights/linking-talent-to-value>
- Barringer, M., & Milkovich, G. (1997). Total compensation: Pieces of the pipe. *Electric Perspectives*, 22(3), 70-78.
- Bluen, S. (2013). *Talent Management in Emerging Markets* (1st ed.). Randburg: Knowres Publishing.
- Booyesen, L. (2007). Barriers to employment equity implementation and retention of blacks in management in South Africa. *South African Journal Of Labour Relations*, 31(1). Retrieved from <https://0-hdl.handle.net.wam.seals.ac.za/10520/EJC59603>
- Bossidy, L., Charan, R., & Burck, C. (2002). *Execution: The discipline of getting things done* (1st ed.). New York: Crown Business.
- Bourke, J., & Dillon, B. (2018). The diversity and inclusion revolution. *Deloitte Review*, (22), 82-95. Retrieved from <https://www2.deloitte.com/insights/us/en/deloitte-review/issue-22.html>
- Bryman, A., & Bell, E. (2011). *Research Methodology: Business and Management Contexts* (1st ed.). Cape Town: Oxford University Press.
- Buckingham, M., & Coffman, C. (1999). *First break all the rules: what the world's greatest managers do differently* (1st ed.). New York: Simon & Schuster.
- Buqa, W. (2015). Storying Ubuntu as a rainbow nation. *Verbum Et Ecclesia*, 36(2). doi: 10.4102/ve.v36i2.1434
- Bussin, M., & Thabethe, N. (2018). Reward preferences in South Africa's media industry. *SA Journal Of Human Resource Management*, 16. doi: <https://doi.org/10.4102/sajhrm.v16i0.1010>

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

- Bussin, M., & Toerien, W. (2015). Influence of reward preferences in attracting, retaining, and motivating knowledge workers in South African information technology companies. *Acta Commercii*, 15(1), 1-13.
- Bussin, M., & van Rooy, D. (2014). Total rewards strategy for a multi-generational workforce in a financial institution. *SA Journal Of Human Resource Management*, 12(1), 11. doi: 10.4102/sajhrm.v12i1.606http
- Campion, M., & McClelland, C. (1991). Interdisciplinary examination of the costs and benefits of enlarged jobs: A job design quasi-experiment. *Journal Of Applied Psychology*, 76(2), 186-198.
- Caplan, R. (1987). Person-environment fit theory and organizations: Commensurate dimensions, time perspectives, and mechanisms. *Journal Of Vocational Behavior*, 31(3), 248-267. doi: 10.1016/0001-8791(87)90042-x
- Cappelli, P. (2000). A Market-Driven Approach to Retaining. *Harvard Business Review*, 103-111.
- Khoele, A., & Daya, P. (2014). Investigating the turnover of middle and senior managers in the pharmaceutical industry in South Africa. *SA Journal Of Human Resource Management*, 14(1). doi: 10.4102/sajhrm.v12i1.562
- Cennamo, L., & Gardner, D. (2008). Generational differences in work values, outcomes and person- organisation values fit. *Journal Of Managerial Psychology*, 23(8), 891-906. <http://dx.doi.org/10.1108/02683940810904385>
- Chambers, E., Foulon, M., Handfield-Jones, H., Hankin, S., & Michaels, E. (1998). The war for talent. *The Mckinsey Quarterly*, 1(3), 44-57.
- Chuang, A., Shen, C., & Judge, T. (2015). Development of a Multidimensional Instrument of Person-Environment Fit: The Perceived Person-Environment Fit Scale (PPEFS). *Applied Psychology*, 65(1), 66-98. doi: 10.1111/apps.12036
- Close, D. (2015). *Generational motivation and preference for reward and recognition in a South African facilities management firm* (Masters). University of South Africa.
- Collins, J. (2001). *Good to great: Why some companies make the leap ... and others don't* (1st ed.). New York, NY: HarperBusiness.
- Commission for Employment Equity. (2018). *Annual Report (2016 - 2017)*. Pretoria: Department of Labour. Retrieved from



## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

<http://www.labour.gov.za/DOL/documents/annual-reports/Commission%20for%20Employment%20Equity%20Report/2016-2017/downloads/documents/annual-reports/employment-equity/2016-2017/17th%20CEE%20Annual%20Report.pdf>

Corporate Leadership Council. (2015). *Global Workforce Insights*. Corporate Leadership Council.

Crouse, W., & Attlee, Z. (2016). Talent Management in Africa - A contextual overview. In T. Meyer, *Shaping Africa's Talent* (2nd ed., pp. 1-15). Randburg: KR Publishing.

DelCampo, R., Haggerty, L., Haney, M., & Knippel, L. (2011). *Managing the Multi-Generational Workforce* (4th ed., pp. 5-43). Farnham: Gower Publishing Limited.

Development Dimensions International, The Conference Board and Earnst & Young. (2018). *Global Leadership Forecast 2018*. Retrieved from <https://www.ddiworld.com/glf2018>

Erasmus, B., Naidoo, L., & Joubert, P. (2017). Talent Management Implementation at an Open Distance E-Learning Higher Educational Institution: The Views of Senior Line Managers. *International Review Of Research In Open And Distributed Learning*, 18(3), 83-98.

Fakir, S., & Laher, S. (2015). Perceptions of the utility of personality assessment for personnel selection in the South African context: An exploratory study. *Journal Of Psychology In Africa*, 25(5), 482-485. doi: 10.1080/14330237.2015.1101285

Follmer, E., Talbot, D., Kristof-Brown, A., Astrove, S., & Billsberry, J. (2018). Resolution, Relief, and Resignation: A Qualitative Study of Responses to Misfit at Work. *Academy Of Management Journal*, 61(2), 440-465. doi: 10.5465/amj.2014.0566

Gallardo-Gallardo, E., & Thunnissen, M. (2016). Standing on the shoulders of giants? A critical review of empirical talent management research. *Employee Relations*, 38(1), 31-56. <http://dx.doi.org/10.1108/er-10-2015-0194>

Garr, S., Yoshida, R., Gantcheva, I., & Wu, M. (2017). Talent matters. Retrieved from <https://www2.deloitte.com/insights/us/en/topics/talent/designing-talent-experience-for-better-business-outcomes.html>

Ghoshal, S., & Bartlett, C. (1997). *The individualized corporation* (1st ed.). London: William Heinemann.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

- Goleman, D. (1999). *Working with Emotional Intelligence* (1st ed.). London: Bloomsbury publishing Plc.
- Greve, N., & Jacobs, D. (2017). What Millennials want in a job. *Finweek*, 34-38.
- Hackman, J., & Oldham, G. (1975). Development of the Job Diagnostic Survey. *Journal Of Applied Psychology*, 60(2), 159-170. <http://dx.doi.org/10.1037/h0076546>
- Hair, J., Black, W., Babin, B., & Anderson, R. (2014). *Multivariate Data Analysis* (7th ed., pp. 90-148). New York: Pearson Education Limited.
- Hare, B. (2017). *A talent management framework for the South African renewable energy sector*. (MBA). Nelson Mandela Metropolitan University.
- Ho, C. (2007). A Framework of the Foundation Theories Underlying the Relationship Between Individuals Within a Diverse Workforce. *Research and Practice In Human Resource Management*, 15(2), 75-91.
- Horwitz, F. (2013). An analysis of skills development in a transitional economy: the case of the South African labour market. *The International Journal Of Human Resource Management*, 24(12), 2435–2451. doi: <http://dx.doi.org/10.1080/09585192.2013.781438>
- Janse van Rensburg, C., Rothmann, S., & Diedericks, E. (2017). Person-environment fit, flourishing and intention to leave in universities of technology in South Africa. *SA Journal Of Industrial Psychology*, 43(0). doi: 10.4102/sajip.v43i0.1422
- Juta Law. Employment Equity Act (1998). South Africa.
- Kaye, B., & Jordan-Evans, S. (2014). *Love 'Em or Lose 'Em* (1st ed.). San Francisco: Berrett-Koehler Publishers.
- Keller, S., & Meaney, M. (2017). Attracting and retaining the right talent. Retrieved from <https://www.mckinsey.com/business-functions/organization/our-insights/attracting-and-retaining-the-right-talent>
- Khoele, A., & Daya, P. (2014). Investigating the turnover of middle and senior managers in the pharmaceutical industry in South Africa. *SA Journal Of Human Resource Management*, 12(1). doi: 10.4102/sajhrm.v12i1.562
- Knowledge Resources. (2017). *Human capital and labour report: South Africa* (pp. 185-189). Randburg: KR Publishing.

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

- Koketso, L. (2011). *Perceived challenges to talent management in the South African public service :an exploratory study of the City of Cape Town municipality* (MTech). Cape Peninsula University of Technology.
- Lee, Y., Kim, S., Kim, M., & Kim, H. (2017). Person–environment fit and its effects on employees’ emotions and self-rated/supervisor-rated performances. *International Journal Of Contemporary Hospitality Management*, 29(5), 1447-1467. doi: 10.1108/ijchm-08-2015-0441
- Mattes, R. (2011). *The “Born Frees” : The prospects for generational change in post apartheid South Africa* (pp. 3-4). Afrobarometer. Retrieved from <http://afrobarometer.org/publications/“born-frees”-prospects-generational-change-post-apartheid-south-africa>
- Meyer, M. (2018). The South African Talent Management Standard: Raising the bar for talent. Retrieved from <https://hrtoday.me/2016/07/05/the-south-african-talent-management-standard-raising-the-bar-for-talent/>
- Meyer, T. (2016). *Shaping Africa's talent* (1st ed., pp. 1-15). Randburg: KR Resources.
- Molefi, N. (2017). *A journey of diversity & inclusion in South Africa* (1st ed.). Randburg: K R Publishing.
- Mukokoma, M. (2008). *Motivation Dilemma: A Case of Uganda*. Retrieved 4 April 2018, from <http://dx.doi.org/10.4314/mtafiti.v20i1.38364>
- Munyaka, S., Boshoff, A., Pietersen, J., & Snelgar, R. (2017). The relationships between authentic leadership, psychological capital, psychological climate, team commitment and intention to quit. *SA Journal Of Industrial Psychology*, 43(0). <http://dx.doi.org/10.4102/sajip.v43i0.1430>
- Nagpal, G. (2013). *Talent Economics* (1st ed.). London: Kogan Page Limited.
- Nzukuma, K., & Bussin, M. (2011). Job-hopping amongst African Black senior management in South Africa. *SA Journal Of Human Resource Management*, 9(1), 1-12. doi: 10.4102/sajhrm.v9i1.360
- Oosthuisen, P., & Nienaber, H. (2010). The status of talent management in the South African consulting civil engineering industry in 2008: A survey. *Journal Of The South African Institution Of Civil Engineering*, 52(2), 41-47. Retrieved from

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

[http://www.scielo.org.za/scielo.php?script=sci\\_arttext&pid=S1021-20192010000200005&lng=en&tlng=en](http://www.scielo.org.za/scielo.php?script=sci_arttext&pid=S1021-20192010000200005&lng=en&tlng=en).

- Pandy, A. (2017). *Talent value management : Liberating organisation growth* (1st ed.). Randburg: K R Publishing.
- Parker, S. (2003). Making work design work: Challenges and opportunities. *Australian Journal Of Psychology*, 55(Aug2003 Supplement), 140-140.
- Pfeiffer, B., Brusilovskiy, E., Davidson, A., & Persch, A. (2018). Impact of person-environment fit on job satisfaction for working adults with autism spectrum disorders. *Journal Of Vocational Rehabilitation*, 48(1), 49-57. doi: 10.3233/jvr-170915
- Phillips, J., & Connell, A. (2003). *Managing Employee Retention: A strategic accountability approach* (1st ed.). Burlington MA: Elsevier.
- Phillips, J., & Gully, S. (2014). *Organisational Behaviour Tools for Success* (2nd ed., pp. 206-246). Boston: Cengage Learning.
- Poisat, P., Mey, M., & Sharp, G. (2018). Do talent management strategies influence the psychological contract within a diverse environment?. *SA Journal Of Human Resource Management*, 16. doi: 10.4102/sajhrm.v16i0.1044
- Potgieter, T. (2016). Home-grown African bottler shows winning spirit and culture: The Coca-Cola story. In T. Meyer, *Shaping Africa's Talent* (1st ed., pp. 169-179). Randburg: KR Publishing.
- Pregolato, M., Bussin, M., & Schlechter, A. (2017). Total rewards that retain: A study of demographic preferences. *SA Journal Of Human Resource Management*, 15, 10. doi: <https://doi.org/10.4102/sajhrm.v15i0.804>
- Quarterly Labour Force Survey Q1. (2018). Retrieved from <http://www.statssa.gov.za/?p=11139>
- Redelinghuys, K., & Botha, E. (2016). Person-environment fit, job satisfaction and intentions to leave: The moderating effect of leader empowering behaviour. *Journal Of Psychology In Africa*, 26(1), 11-21. doi: 10.1080/14330237.2015.1101273

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

- Schlechter, A., Faught, C., & Bussin, M. (2014). Total rewards: A study of artisan attraction and retention within a South African context. *SA Journal Of Human Resource Management, 14*(1). doi: 10.4102/sajhrm.v12i1.648
- Seligman, M. (1998). Building human strength: Psychology's forgotten mission. *APA Monitor, 29*(1).
- Shabane, Z., Schultz, C., & Van Hoek, C. (2017). Transformational leadership as a mediator in the relationship between satisfaction with remuneration and the retention of artisans in the military. *SA Journal Of Human Resource Management, 15*(0).  
<http://dx.doi.org/10.4102/sajhrm.v15i0.923>
- Snelgar, R., Renard, M., & Venter, D. (2013). An empirical study of the reward preferences of South African employees. *SA Journal Of Human Resource Management, 11*(1). doi: 10.4102/sajhrm.v11i1.351
- Taylor, R. (1990). Interpretation of the correlation coefficient: a basic review. *Journal Of Diagnostic Medical Sonography, 6*(1), 35-39.
- Total Rewards Model*. (2018). *Worldatwork.org*. Retrieved 4 April 2018, from <https://www.worldatwork.org/total-rewards-model>
- Ulrich, D. (2016). Taking Stock of Your Talent. *Workforce, (2)*. Retrieved from <http://www.workforce.com/2016/01/27/taking-stock-of-your-talent/>
- Veldman, T., & Johnson, A. (2016). Leadership as strategic organisational capability and intervention. In T. Veldman & A. Johnson, *Leadership: perspectives from the front line* (1st ed., pp. 1-7). Randburg: KR Publishing.
- Van Zyl, E., Mathafena, R., & Ras, J. (2017). The development of a talent management framework for the private sector. *SA Journal Of Human Resource Management, 15*(0). doi: 10.4102/sajhrm.v15i0.820
- Wegman, L., Hoffman, B., Carter, N., Twenge, J., & Guenole, N. (2016). Placing Job Characteristics in Context: Cross-Temporal Meta-Analysis of Changes in Job Characteristics Since 1975. *Journal Of Management, 44*(1), 352-386. doi: 10.1177/0149206316654545

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

Werbel, J., & Johnson, D. (2001). The Use of Person-Group Fit for Employment Selection: A Missing Link in Person-Environment Fit. *Human Resource Management, 40*(3), 227-240. doi: 10.1002/hrm.1013

World Economic Forum. (2016). *The future of jobs: Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution*. Geneva: World Economic Forum.  
Retrieved from <http://reports.weforum.org/future-of-jobs-2016/>

Appendix 1: Research Questionnaire

SECTION A – BIOGRAPHICAL INFORMATION				
Please mark the appropriate box with an "X"				
<b>Gender</b>	Male	Female		
<b>Birth year</b>	1925-1945	1946-1964	1965-1980	1981 onwards
<b>Province</b>	Eastern Cape	Free State	Gauteng	KwaZulu-Natal
	Mpumalanga	Northern Cape	North West	Western Cape
<b>Ethnicity</b>	African	Asian	Coloured	Indian
				White
<b>Employment</b>	Full-time	Part-time	<b>Age</b>	
<b>Sector</b>	Private	Public	NGO	Other (specify):
<b>Marital status</b>	Single	Cohabiting	Married	Divorced
				Widow/Widower

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

In the sections below, please give your response for each item by circling the most appropriate option according to the relevant scale. Note that there are no right or wrong answers; your responses should reflect your perceptions. Don't skip any items and give one response only per item.

### SECTION B – TALENT MANAGEMENT STRATEGIES

#### B1: TALENT ATTRACTION

Indicate, in column A below, how important each of the following work related aspects is to you at this point in your life, and in column B, rate your current employer in this regard.

For column A use the scale 1=*Not Important* to 5=*Extremely Important*.

For column B use the scale 1=*Poor* to 5=*Excellent*.

WORK-RELATED ASPECTS:		A: Importance					B: Rating of current employer				
1	Sufficient authority to make decisions	1	2	3	4	5	1	2	3	4	5
2	Feeling personally valued and honoured by colleagues	1	2	3	4	5	1	2	3	4	5
3	Being encouraged to give my opinions and ideas	1	2	3	4	5	1	2	3	4	5
4	Clear roles and responsibilities	1	2	3	4	5	1	2	3	4	5
5	Recognition of my past experience	1	2	3	4	5	1	2	3	4	5
6	Challenging work	1	2	3	4	5	1	2	3	4	5
7	Work-life balance	1	2	3	4	5	1	2	3	4	5
8	My organisation being involved in corporate social responsibility activities	1	2	3	4	5	1	2	3	4	5
9	Opportunities to advance in my career	1	2	3	4	5	1	2	3	4	5
10	Freedom and flexibility in my job	1	2	3	4	5	1	2	3	4	5



## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

11	Teamwork	1	2	3	4	5	1	2	3	4	5
12	Friendship with colleagues	1	2	3	4	5	1	2	3	4	5
13	Opportunities that will help me grow in my current position	1	2	3	4	5	1	2	3	4	5
14	Experiencing fun at work	1	2	3	4	5	1	2	3	4	5
15	Opportunities that will help me develop specialist skills	1	2	3	4	5	1	2	3	4	5
16	Financial security	1	2	3	4	5	1	2	3	4	5
17	A good pension fund	1	2	3	4	5	1	2	3	4	5
18	Recognition of my achievements	1	2	3	4	5	1	2	3	4	5
19	Opportunities to mentor colleagues	1	2	3	4	5	1	2	3	4	5
20	Job security	1	2	3	4	5	1	2	3	4	5

### B3: REWARDS AND BENEFITS

Different people prefer different types of rewards. Please indicate, in column A below, how important you deem each of the following rewards and benefits, and, in column B, how you rate your current employer in this regard.

For column A use the scale 1=*Not Important* to 5=*Extremely Important*.

For column B use the scale 1=*Poor* to 5=*Excellent*.

		A: Importance					B: Rating of current employer				
1	Your salary	1	2	3	4	5	1	2	3	4	5
2	Bonuses (e.g. performance bonus, union-negotiated "recognition payment" bonus)	1	2	3	4	5	1	2	3	4	5
3	Cash incentives (e.g. "Incentive Card" awards and gift cards)	1	2	3	4	5	1	2	3	4	5

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

4	Output-based remuneration/Commission	1	2	3	4	5	1	2	3	4	5
5	Long-service awards	1	2	3	4	5	1	2	3	4	5
6	Spa treatments, movie vouchers or other retail gifts	1	2	3	4	5	1	2	3	4	5
7	Incentive trips (e.g. weekend away, overseas trips, etc.)	1	2	3	4	5	1	2	3	4	5
8	Non-financial recognition awards (e.g. certificates, lunch, thank-you note, etc.)	1	2	3	4	5	1	2	3	4	5
9	Annual leave commutation (when the organisation pays out accumulated annual leave)	1	2	3	4	5	1	2	3	4	5
10	Time-off (half day or full day) in recognition of hard work	1	2	3	4	5	1	2	3	4	5
11	Study bursary (e.g. when your company pays partly/fully for your studies)	1	2	3	4	5	1	2	3	4	5
12	Mentorship or coaching programme	1	2	3	4	5	1	2	3	4	5
13	Structured development programme	1	2	3	4	5	1	2	3	4	5
14	Internal/on-the-job training	1	2	3	4	5	1	2	3	4	5
15	External training	1	2	3	4	5	1	2	3	4	5
16	External conferences	1	2	3	4	5	1	2	3	4	5
17	Data card with private usage allowed (e.g. 3G/ADSL)	1	2	3	4	5	1	2	3	4	5
18	Cell phone paid – reimbursement in excess of business calls	1	2	3	4	5	1	2	3	4	5
19	Company share scheme	1	2	3	4	5	1	2	3	4	5
20	BEE Share Scheme	1	2	3	4	5	1	2	3	4	5
21	Free meals	1	2	3	4	5	1	2	3	4	5
22	Flexible working hours	1	2	3	4	5	1	2	3	4	5
23	Newspapers/magazine subscriptions	1	2	3	4	5	1	2	3	4	5
24	Branded merchandise (e.g. T-shirts)	1	2	3	4	5	1	2	3	4	5
25	Gym facilities	1	2	3	4	5	1	2	3	4	5
26	Wellness programme (e.g. free counselling services)	1	2	3	4	5	1	2	3	4	5
27	Crèche facilities	1	2	3	4	5	1	2	3	4	5

**EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION**

28	Pleasant physical working environment	1	2	3	4	5	1	2	3	4	5
----	---------------------------------------	---	---	---	---	---	---	---	---	---	---

**B4: MANAGEMENT STYLE AND LEADERSHIP PREFERENCES**

Please indicate, in column A below, to what extent you prefer a manager/supervisor who has the indicated traits, and in column B, rate your current manager/supervisor on these traits.

For column A use the scale 1=*Strongly oppose* to 5=*Strongly favour*.

For column B use the scale 1=*Poor* to 5=*Excellent*.

		A: Preference					B: Rating				
1	Acknowledges my background and experience	1	2	3	4	5	1	2	3	4	5
2	Consults with me before finalising action plans	1	2	3	4	5	1	2	3	4	5
3	Finds out and understands the things that motivate me as an employee	1	2	3	4	5	1	2	3	4	5
4	Respects his employees	1	2	3	4	5	1	2	3	4	5
5	Recognises my accomplishments at work	1	2	3	4	5	1	2	3	4	5
6	Gets to know me personally	1	2	3	4	5	1	2	3	4	5
7	Involves me in the decision-making process and encourages participation	1	2	3	4	5	1	2	3	4	5
8	Interacts face-to-face with me	1	2	3	4	5	1	2	3	4	5
9	Emphasises the “fun side” of the workplace	1	2	3	4	5	1	2	3	4	5
10	Provides me with a variety of activities that I can enjoy	1	2	3	4	5	1	2	3	4	5
11	Provides me with sufficient opportunities for socialising and building networks with colleagues	1	2	3	4	5	1	2	3	4	5
12	Takes responsibility	1	2	3	4	5	1	2	3	4	5
13	Treats me as an individual	1	2	3	4	5	1	2	3	4	5

## EXPECTATIONS AND EXPERIENCES OF TALENT MANAGEMENT AND THE EFFECT ON RETENTION

14	Provides me with freedom and flexibility	1	2	3	4	5	1	2	3	4	5
15	Supports my personal growth and development	1	2	3	4	5	1	2	3	4	5
16	Provides me with stimulation to maintain my interest at work	1	2	3	4	5	1	2	3	4	5

### SECTION D - TALENT RETENTION

Please indicate to what extent you agree with each of the statements below using the scale 1=*Strongly Disagree*; 2=*Disagree*; 3=*Neutral*; 4=*Agree*; 5=*Strongly Agree*.

1	I'm planning on working for another company within a period of three years	1	2	3	4	5
2	My current job gives me satisfaction	1	2	3	4	5
3	If I wanted change, I would look first at the possibilities within my current company	1	2	3	4	5
4	I see a future for myself within my current company	1	2	3	4	5
5	I don't care who I work for as long as I have a job	1	2	3	4	5
6	If it were up to me, I will definitely be working for this company for the next five years	1	2	3	4	5
7	If I could start over again, I would choose to work for another company	1	2	3	4	5
8	If I received an attractive job offer from another company, I would <b>not</b> take the job	1	2	3	4	5
9	The work I'm doing is very important to me	1	2	3	4	5
10	I love working for my current company	1	2	3	4	5
11	I am actively looking for another job elsewhere	1	2	3	4	5

**Thank you for taking the time to complete this survey, it is highly appreciated!**