THE INFLUENCE OF REWARDS ON TALENT ATTRACTION AND RETENTION
AT A FURTHER EDUCATION AND TRAINING COLLEGE IN GAUTENG

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Mini-dissertation submitted in partial fulfillment of the requirements for the degree

M-Tech

in the discipline of

BUSINESS ADMINISTRATION

in the

FACULTY OF MANAGEMENT SCIENCES

at the

VAAL UNIVERSITY OF TECHNOLOGY

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October 2015
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This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

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ACKNOWLEDGEMENT

I owe the successful completion of this dissertation to the exceptional support of many people. My sincere gratitude is accorded to my Supervisor, Professor K.C. Moloi, for her dedication, academic knowledge, expertise, guidance, patience, direction, typed feedback comments and meticulous checking of this study. It has been a privilege for me to have her as my supervisor and mentor. I would also like to express my deepest appreciation to my Co-Supervisor, Dr P Joubert, for his dedication and the pleasant manner in which he provided direction in this study as a young Researcher. My most profound gratitude goes to Professor B Grobler who took time to read my dissertation word for word and have been my rock during this most difficult stage of any research, data analysis process. Thank you for your guidance, encouragement and timely feedback.

I remain indebted and wish to acknowledge and express my gratitude to:

- My family, wife Nozipho, son Andile, daughter Ntokozo for their support, sacrifices’ and who were many a time robbed of their deserved maternal attention throughout the duration of my studies. Without their constant inspiration, support, patience and encouragement this research would not have seen the light of the day.

- To Molekeng Buang, Nthabiseng Moloi, Sisanda Mngqibisa my colleagues, for assistance in data capturing.

- To all my other family members, mom, siblings, friends and colleagues, I would like to express appreciation for their support and encouragement.

- To the Management of Sedibeng TVET College for giving me permission to conduct research within the College and all the respondents to the questionnaire for their contribution in this study.

- To my Creator, for his inspiration, good health, guidance, strength and insight to conduct this study.
ABSTRACT

Keywords: Employee rewards, talent attraction, talent retention, employee recognition

The purpose of this study is to investigate the influence of employee rewards on talent attraction and talent retention. Furthermore, the study intends to unearth the influence of rewards on employee attraction and retention and to suggest strategies that could be employed by FET colleges in Gauteng in the Sedibeng district of Gauteng. The attraction and retention of employees continues to be a key priority not only of human resource professionals but also of FET colleges generally in South Africa and in the Gauteng province in particular.

The most valuable asset available to an organisation is its people, and consequently, retaining employees in their jobs is crucial for any organization. In South Africa, the retention of highly skilled employees is critical, particularly because of the need to contribute to economic growth, innovation and poverty eradication. Owing to the competition for scarce skills, the attraction and retention of quality employees has emerged as the biggest challenge in human capital management and this phenomenon has also arisen in FET colleges. To attract and retain employee, organisations need novel reward systems that satisfy employees.

This study employs a quantitative research paradigm and a survey method was used to investigate a sample of 154 academic employees at Sedibeng FET College, Gauteng. A personal method was used to collect data using semi-structured questionnaire and the results of the correlations shows that employee rewards are significantly positively related to talent attraction and talent retention.

Findings and recommendations of this study are important to employers as they are supposed to design a remuneration package that attract and retain the best candidates and satisfies their employee’s expectations, in that it is fair, equitable and free of bias. A remuneration package is one of the most important factors that influence people to take up employment and stay with the organization.
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CHAPTER 1: INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

This quantitative study investigates the influence of rewards on talent attraction and retention at one FET college in Sedibeng district, Gauteng. The attraction and retention of employees continues to be a key priority not only of human resource professionals but also of FET colleges generally in South Africa and in the Gauteng province in particular (Frank, Finnegan & Taylor 2004:30; Giancola 2008:12-25). Ng’ethe, Iravo and Namusonge (2012:205) indicate that the most valuable asset available to an organisation is its people, and consequently, retaining employees in their jobs is crucial for any organisation. In South Africa, the retention of highly skilled employees is critical, particularly because of the need to contribute to economic growth, innovation and poverty eradication (National Development Plan 2011). Owing to the competition for scarce skills, the attraction and retention of quality employees has emerged as the biggest challenge in human capital management and this phenomenon has also arisen in FET colleges (Terera & Ngirande 2014:481). To attract and retain employee, organisations need novel reward systems that satisfy employees.

San, Theen and Heng (2012:211) suggest that rewards are one of the important elements in motivating employees to contribute their best efforts to generating innovative ideas that lead to productivity within an organisation. Aktar, Sachu and Ali (2012:9) classify these rewards into internal and external rewards. External rewards include salary, incentives, bonuses, promotions and job security while intrinsic rewards are intangible or psychological rewards such as appreciation, meeting new challenges, a positive and caring attitude from the employer and job rotation after attaining set goals. Sajuyigbe, Olaoye and Adeyemi (2013:27) is of the opinion that employee rewards are regarded as a vital instrument in employee attraction and retention.

Several studies have been conducted in the area of talent attraction and retention. Of note are the studies by Stalcup and Pearson (2001), Salamin and Hom (2005), Yousaf (2010), Okioga (2012) and Ng’ethe (2012) and, who focused on employee retention in the education, hospitality, banking and manufacturing sector. Other studies on talent attraction and retention have been conducted in different industries such as telecommunications by Kwenin, Muathe and Nzulwa (2013) and Fareed, Abidan, Shahzad, Umm-e-Amen, and Lodhi (2013); in healthcare by Akanbi (2012); in the service industry by Sarwar and Abugre (2013); in banking by Jehanzeb, Rasheed, Rasheed and Aamir (2012) and in higher education by Mustapha (2013). Holland, Sheehan and De Cieri (2007), Das and Baruah (2013)
and Terera and Ngirande (2014) considered influence of employee rewards on employee retention. These studies are useful for providing theoretical perspectives within which to situate the present study. While these studies are useful, they do not deal with the influence of employee rewards on talent attraction and retention at FET colleges in the Gauteng Province. The rationale for this study is thus to address this gap.

It has come to the notice of the researcher that the high turnover at the FET college that is being studied is a result of high teaching loads in the college. In some cases there are reports that at the FET college some of the lecturers are expected to teach 28 periods per week in comparison with the normal teaching load of 20 periods per week expected of lecturers at FET colleges (Human Science Research Council 2011:29). It has also been reported that, at the national level, across the three years, an average of seven employee members leave each college per trimester. The researcher argues that if these losses are compared with the average number of lecturing employee per college (167 nationally), it can be seen that employee turnover amounts to 4% per trimester (HSRC 2011:31). A further report by the HRSC (2011:31) shows that numerous employee disruptions at FET colleges in the Gauteng province are a sign of employee dissatisfaction with an aspect of their jobs, which impacts negatively on productivity, morale, the teaching and learning process and student academic achievement. Furthermore, inadequate remuneration and management problems have been the major causes of these disruptions in many of these colleges. The purpose of this study is to discover the causal relationships between the influence of rewards towards employee attraction and retention.

1.2 PROBLEM STATEMENT

Research by Netswera, Rankhumise and Mavundla (2005:36) reveals that there is no clear empirical evidence that suggests what human resources managers in FET colleges are doing to address employee rewards as a talent attraction and retention instrument within their institutions. Netswera, et al. (2005:36) is of the view that unfavourable working conditions and unattractive remuneration are among reasons for employee turnover in FET colleges generally. The remuneration differentials between FET colleges and the private sector are significant and have been widening (Oshagbemi & Hickson 2003:125; Du Plooy & Snyman 2004:45-46; Pienaar & Bester 2006:32; Badat 2008:26). Pienaar and Bester (2006:32) point out that insufficient financial remuneration is also one of the most important reasons why young, competent academics cannot be recruited to or retained in the FET colleges in South Africa. Zhou and Volkwein (2004:13) argue that the costs of employee turnover, such as subsequent recruiting expenses, disruptions of course offerings and discontinuities in departmental and student planning, cause some of the problems that are experienced by FET colleges
in Gauteng. The turnover of employee members affects the FET colleges’ ability to maintain their competitive advantage over private FET colleges (Govaerts, Kyndt, Dochy & Baert 2011:36). For the researcher, losing existing employees means a loss of valuable and experienced human capital. It further implies that new people should be hired and trained, thus incurring unnecessary costs for the organisation (Govaerts et al. 2011: 36).

1.3 SIGNIFICANCE OF THE STUDY

This study is significant because the researcher intends to unearth the influence of rewards on employee attraction and retention and to suggest strategies that could be employed by FET colleges in Gauteng to achieve the objective of reducing turnover effectively. The study intends to contribute to existing knowledge by suggesting how FET college management can reduce high labour turnover, particularly in the College that is being studied.

1.4 RESEARCH QUESTIONS

This study seeks to address the following questions:

- What is the influence of rewards on talent attraction and retention?
- Why is there is high turnover in FET colleges in Gauteng province?
- How can FET managers reduce turnover at the FET colleges in Gauteng?

1.4.1 PRIMARY OBJECTIVE

The primary objective of this study is to examine the influence of rewards on talent attraction and retention of employees at a FET College in the Sedibeng district of the Gauteng province.

1.4.2 Theoretical objectives

In order to contribute towards solving a theoretical set of problems that relate to the influence of rewards on talent attraction and retention the theoretical objectives are to:

- Establish what previous studies have been conducted on employee rewards.
- Compare literature on employee attraction and retention.
- Identify the factors that are associated with employee turnover in the FET college.
- Analyse the relationship between talent attraction and retention.
1.4.3 Empirical objectives

The empirical objectives of this study will be achieved by testing the hypotheses below, which are set to measure relationships among the dependent and independent variables.

1.4.4 Hypotheses

In this study the research objectives stated above are refined into specific research hypotheses that will be tested (Muijs 2004:16). In view of this, the following hypotheses are stated:

- **H1:** There is a statistically significant difference between rewards and talent attraction at the Sedibeng FET College.
- **H0:** There is no statistically significant relationship between employee rewards and talent attraction at Sedibeng FET College.
- **H1:** There is a statistically significant relationship between employee rewards and talent retention at Sedibeng FET College.
- **H0:** There is no statistically significant relationship between employee rewards and talent attraction at Sedibeng FET College.
- **H1:** There is a statistically significant relationship between employee rewards and talent retention at Sedibeng FET College.

In view of the above, Cohen, Mannion and Morrison (2003:15) state that a good hypothesis must have the character of a logical relationship. Thus, Gerring (2007:71) points out that all hypotheses have at least one independent variable (x) and one dependent variable (y). In line with this thought, Willemse (2009:199) suggests that the hypothesis is used to statistically test for significance between two variables, the dependent variable and the independent variable, to draw conclusions. In this regard, Uys (2003:92) and Davies (2007:249) assert that it is important to use robust parametric testing to determine if relationships are significant. Thus, in the context of this study the independent variable is the influence of employee rewards (x) and the dependent variable is employee retention (y).
1.5 THEORETICAL FRAMEWORK AND LITERATURE REVIEW

Vroom’s (1964) expectancy theory will form the theoretical framework for this study. Vroom’s expectancy theory holds that the individual’s perception of effort is positively correlated with the level of performance. This theory shows that this correlation, namely performance–outcome expectancy, or instrumentality, concerns a person's expectations that the rewards he or she will receive are closely tied to his level of performance. For Khan and Mufti (2012:4618), individuals typically expect benefits in exchange for the effort they put into their jobs. Khan and Mufti (2012:4618) explain that the self-belief in skills is called expectancy, the belief that performance will bring rewards is referred to as instrumentality, while the value placed on the reward is described as the valence. Valence means that employees will be motivated if they are rewarded with rewards that they value. In addition, instrumentality means that employees will be motivated if they believe that their performance will yield rewards. People differ with regard to what they value. For example, to some employees, pay has more value than other rewards whereas to others, more intrinsic rewards such as recognition and achievement are significant.

1.5.1 Employee rewards

Reward practice is essential both for reinforcing behaviour and as an incentive or motivator for achieving overall organisational performance (Zakaria, Hussin, Noordin, Sawal & Zakaria 2011:142). Markova and Ford (2011:813) state that the real success of organisations originates from employees’ willingness to use their creativity, abilities and know-how in favour of the organisation and it is the organisation’s task to encourage and nourish these positive employee inputs by putting in place effective reward practices. Nujjoo and Meyer (2012:1) maintains that rewards management is one of the key strategies used to create a motivated and committed workforce, while Ramlall’s (2004:52) study reveals that employees who are motivated and committed to the organisation are less likely to quit. San, Theen and Heng (2012:211) suggest that the use of rewards is one of the important elements motivating employees to contribute their best efforts to generating innovative ideas that lead to better business functionality and further improve the organisation’s productivity. Snelgar, Renard and Venter (2013:4) argue that remuneration is a driver of retention, job satisfaction and employee commitment in South Africa. Nujjoo and Meyer (2012:9) suggest that it is important for South African organisations, both public and private, and FET colleges in particular, to emphasise the value of intrinsic rewards as part of their rewards management strategies. Grobler, Warnich, Carrel, Elbert and Hatfield (2011:402) as well as Meyer and Kirsten (2012:402) are of the view that the objectives
of a South African compensation system should include attracting highly qualified employees as well as motivating and retaining these employees through incentivising desired behaviour and rewarding good performance. In the effective management of rewards strategies, organisations are likely to attract, retain and capitalise on the benefits of a loyal and high-calibre workforce. Grobler et al. (2012:403) observe that inadequate compensation is often the cause of turnover in the FET college sector. Compensation is the most critical issue when it comes to attracting and retaining talent (Chew 2004:4). Compensation represents both intrinsic and extrinsic rewards that employees receive for performing their jobs. Intrinsic compensation reflects employees’ psychological mind-sets that result from performing their jobs while extrinsic compensation includes both monetary and non-monetary rewards (Martocchio 2013:4). Pratheepkanth (2011:85) argues that the reward system is an important tool that management can use to channel employee motivation in desired ways. If the reward strategies are implemented effectively in the organisation they can act as a retention strategy.

1.5.2 Talent attraction and retention

In today’s business world, retention of valuable employees is one of the most critical issues confronting leaders (Mayfield & Mayfield 2008:41). Owing to competition for scarce skills, the attraction and retention of quality employees has emerged as the biggest challenge in human capital management (Terera & Ngirande 2014:481). Research by Swanepoel, Erasmus and Schenk (2008) and Armstrong, Brown and Reilly (2010) reveals that competitive wages and benefits have, time and again, been listed as a means of attracting and retaining employees. The attraction and retention of employees continues to be a key priority of human resource professionals (Frank, Finnegan & Taylor 2004:30; Giancola 2008:12-25) and is now the major concern of many public and private South African institutions. Wages, therefore, influence the attraction and retention of the workforce. Organisations need to look for alternative methods of retaining key talent to ensure organisational success.

Retention is critical for employees as it influences expenses on two levels: directly, through staff turnover expenses (for example recruitment costs, low productivity, training and development and lost opportunity costs) and indirectly, through aspects such as engagement (Corporate Leadership Council 2004:4-13). Allen, Shore and Griffeth (2003) reported that employers have to differentiate themselves from others through their compensation strategy in order to attract and retain quality employees. Therefore, an organisation’s compensation strategy should be able to attract the right quality of employees, retain suitable employees and also maintain feelings of equity among the employees. An organisation can retain the workforce through offering a good compensation package.
Scott, McMullen and Royal (2012:2) state that the retention of key talent, that is, those employees who are the strongest performers, have high potential or are in critical jobs, is vitally important. Pienaar and Bester (2008:32) agrees that the academic profession is fundamental to the functioning of any university. Without well-qualified and committed academic staff, no academic institution can really ensure sustainability and quality. Academic institutions are therefore more dependent on the intellectual and creative abilities and commitment of the academic staff than most other organisations; this makes it critically important to retain this cadre of staff. Lockwood and Walton (2008) argue that organisations can succeed in their retention strategy only if they offer competitive, market-related pay and benefits, because this is what motivates employees’ commitment to the organisation. A study conducted by Pillay (2009) revealed that monetary and non-monetary rewards are important in order to raise employee retention. Monetary rewards reported to increase employee retention significantly included performance bonuses, reasonable salaries and remuneration of scarce skills. Non-monetary rewards included promotions, child-care facilities, extended leave and recreational facilities. A study conducted by Horwitz, Heng and Quazi (2003) reveals that compensation is still one of the most popular retention strategies. Teseema and Soeters (2006) show a positive correlation between compensation practices and employee retention.

1.5 DEFINITION OF TERMS

1.6.1 Talent

Glen (2007:4) defines talent as a unique characteristics, qualities, traits or abilities of people who utilise this to reach the objectives of organisations. Talent is defined as the sum of a person’s abilities, including intrinsic gifts, skills, knowledge, experience, intelligence, judgment, attitude, character, as well as an ability to learn and grow (Michaels, Handfield-Jones & Axelrod 2001: xii). Talent is perceived as something, which is valuable, rare and hard to imitate, which leads to exceptional performances and talented people are often admired and valued (Govaerts et al. 2011: 36).

1.6.2 Talent attraction

Talent attraction is considered as one of the elements of talent management and includes systems that are implemented by organisations to ensure that they attract and recruit talented employees of a high quality (Oehley 2007:25). Talent attraction includes recruitment and selection, employer branding, employee value proposition and employer of choice (Oehley 2007:26; Armstrong 2006:395).
1.6.3 Employee retention

Browell (2003:5) defines employee retention as “keeping those members of staff that one wants to keep and not losing them from the organisation for whatever reason, especially to the competitors”. Employee retention is a tacit or deliberate set of actions taken in order to retain employees in an organisation.

1.6.4 Talent management

Lockwood (2006:2) defines talent management is the “implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilising people with the required skills and aptitude to meet current and future business needs.”

1.6.5 Job dissatisfaction

Burmeister (2004: 350) defines “the degree to which individuals feel negatively about their jobs. It is an emotional response to the tasks, as well as to the physical and social conditions associated with the workplace.” According to Chinaminikire, Mutandwa, Gadzirayi, Muzondo and Mutandwa (2007:167) job satisfaction is a pleasant emotional state resulting from the evaluation of one’s job, an effective feedback to one’s job and attitude towards one’s job.

1.7 RESEARCH DESIGN AND METHODOLOGY

In line with the objectives and theoretical framework of the study, a quantitative research method and a survey design were deemed appropriate as they would assist to examine the causal relationships between rewards and employee attraction and retention. Maree (2009:145) describes the quantitative research method as systematic and objective in its method of using numerical data from a selected representative sample to generalise the findings to the population that is being studied. Thus, in order to achieve objective results about the phenomenon under study, the researcher believes that a deductive method is appropriate. In view of this, De Vos (2002:242) suggests that quantitative researchers use deductive reasoning, collect data to assess preconceived models and test hypotheses and theories. Furthermore, the researcher opted for the survey research design because it will provide a framework to integrate the different components of the study in a coherent and logical way, ensuring that the research problem is effectively addressed (Maree 2006:42). For this reason, the research
design constitutes the blueprint for the collection, measurement and analysis of data (Walliman 2006:42).

1.7.1 Target population

A study population is the full set of elements from which a representative sample is taken as a target of respondents (Welman & Kruger 2005:52). The current study population will comprise academic staff at Sedibeng FET College on all four campuses (Heidelberg, Sebokeng, Vanderbijlpark and Vereeniging), comprising a total of 209 staff members. The population may be the totality of persons, events, organisation units, case records or other sampling units with which the research problem is concerned (McBurney 2001:248). The 209 staff members constitute principal/head (n=4), heads of department (n=4), and subject teachers (n=201). From this total population will be drawn to respond to the semi-structured questionnaire in the census, therefore due to the small number there will be no sampling. Survey method will be employed for the study. Silverman (2001:3) affirms that the main methods of quantitative research are “social survey, experiment, official statistics, structured observation and content analysis”. Silverman (2001:3) further attests that the features of the social survey are “random samples and measured variables”. As the social survey is representative and tests hypotheses, the research design employed for this study was quantitative in nature.

1.8 JUSTIFICATION OF USING THE QUANTITATIVE SURVEY METHOD

According to Denscombe (2003:6), surveys have emerged in recent times as one of the most popular approaches to social science research. A survey is the procedure of systematically acquiring and recording information about the members of a given population. According to Brannick and Roche (2007:11), the survey method is systematic as it uses information that is gathered from respondents via a questionnaire. Brannick and Roche (2007:11) further state that the survey method can be utilized to perform exploratory, descriptive and analytic investigations. For Tashokkori and Teddlie (2003:715) in order to arrive at vital and reliable conclusions, adequate sampling of the population in the study area needs to be completed. Given that the target population for this study was the Sedibeng FET College that comprises four campuses, the entire target population of 209 employees, from all four campuses of Sedibeng FET College in Gauteng comprised the selected sample (Fox & Bayat, 2007:87). According to Sekaran and Bougie (2010:295) a sample size between 92 and 97 is appropriate from a target population size ranging between 120 and 160. Denscombe (2003:21) suggests that to be able to generalize the findings of a survey, the sample must be both, representative of the population and of an adequate size. The sample of this study was thus representative of the
Gauteng FET Colleges in that both management and lecturing staff are represented as well as both female and male employees (Goddard & Melville 2001:35).

1.8.1 Measuring instrument

For the purpose of this study, two instruments were utilised in measuring the influence of employee rewards on talent retention. The Total Rewards Questionnaire adopted from World at Work Rewards was administered to the selected respondents. The questionnaire was developed with the aim of allowing employees to determine important specific total rewards, as well as to record their levels of satisfaction with the total rewards they are offered and retention factors associated with employee rewards.

1.8.2 Data collection

A semi-structured questionnaire will be administered to the population (N=209) at the four campuses of the FET college that is being studied. The current study population will comprise academic staff at Sedibeng FET College on all four campuses (Heidelberg, Sebokeng, Vanderbijlpark and Vereeniging), comprising a total of 209 staff members.

1.8.3 Data analysis

Data will be analysed by means of statistical software, i.e. Statistical Package for the Social Sciences (SPSS) version 23.0. The initial data will be analysed into descriptive statistics for the demographic variables. According to Maree (2003:90), statistical techniques can be classified under two broad headings: descriptive statistics and inferential statistics. The descriptive statistics will be used to analyse the composition and characteristics of the sample data. Descriptive statistics include the ordering and summarising of data using tables and graphs and calculating descriptive measures. Statistical inference arising from the use of robust statistical tests produces meaningful conclusions about the population. The relationship between the two techniques is based on probability theory. Probability theory is used to quantify uncertainties about the conclusions that are generalised (Maree 2003:90). Angrist, Imbens and Rubin (2005:149) assert that robust tools of appropriate parametric tests should be applied to test the hypotheses.
1.8.4 Reliability

Maree (2007:147) states that reliability refers to the consistency or dependability of a measuring instrument. Thus, high reliability is obtained when the instrument will yield the same results if the research is repeated on the same sample. In order to measure consistency and reliability, the Cronbach’s coefficient alpha test and composite reliability will be used as it is the measure most widely used by social researchers.

1.8.5 Validity

Validity, on the other hand, refers to the extent to which a measurement procedure actually measures what it is intended to measure rather than measuring something else, or nothing at all (Leary 2004:69). Construct validity will be used to measure the intended mediating variable rather than irrelevant constructs or measurement error (Welman, Kruger & Mitchell 2005:142). The researcher will strive to achieve face, content, construct and predictive validity. Content validity will be used to measure how appropriate and comprehensive the content of the questionnaire is.

1.9 ETHICAL CONSIDERATIONS

According to Mouton (2006:238-239), “the ethics of science is concerned with what is wrong and what is right in the conduct of research”. The intention of the research, the nature of the research, the involvement of the participants in the research and their rights will be explained to the participants. Saunders, Lewis and Thornhill (2003:131) provide a list of key ethical issues that normally require adherence when undertaking a research project, which include:

- The voluntary nature of participation and the right to withdraw partially or completely from the process;
- Consent and possible deception of participants;
- Maintenance of the confidentiality of data provided by individuals or identifiable participants and their anonymity;
- Privacy of possible and actual participants;
- Reactions of participants to the way in which you seek to collect data;
- Effects on participants of the way in which you use, analyse and report your data; and
- The behaviour and objectivity of the researcher.
1.10 INFORMED CONSENT

The researcher acquired permission from the management of the four Sedibeng College campuses to administer the semi-structured questionnaire to the respondents in the four campuses. The respondents were assured on the confidentiality and transparency of the information which would be elicited. The researcher informed the respondents of their right to accept or withdraw from participation in the research at any point in time during the research. The respondents were also informed that the information required was solely for academic purposes and for the improvement of talent attraction and employee retention in the College.

1.11. CONCLUSION

In this chapter the researcher provided an introduction and background to the study. The problem was stated, research questions, theoretical framework and empirical objectives were presented. The research objectives stated were refined into specific research hypotheses that were tested in the study. Vroom’s (1964) expectancy theory was used as the theoretical framework for this study. The researcher found Vroom’s expectancy theory relevant for this study because the theory holds that the individual’s perception of effort is positively correlated with the level of performance. This theory shows that this correlation between performance (i.e. outcome expectancy, or instrumentality) concerns a person’s expectations that the rewards he or she will receive are closely tied to his / her level of performance within an organisation. The quantitative research method and a survey design were thus deemed appropriate for this study because the researcher was interested in examining the causal relationships between the influence of rewards on employee attraction and retention. In the next chapter a literature review on the influence of employee rewards on talent attraction and retention will be undertaken.

1.13. STRUCTURE OF THE STUDY

This research will be divided into five chapters.

Chapter One defines the research problem, the aim of the research and methodology to be used and gives a rationale for the study. It outlines certain assumptions involved and clarifies the key concepts of the research title.

Chapter Two presents an extensive literature review and builds a theoretical framework for rewards, employee retention and talent attraction among academic lecturers.
Chapter Three deals with research methodology and design, identifying the target population, instruments and procedures used for data collection as well as procedures used during the data analysis.

Chapter Four comprises the systematic presentation of the research findings. It also contains discussion and interpretation of data collected based on the literature that has been reviewed and the questionnaire used to gather information.

Chapter Five outlines the conclusion and contains recommendations with regard to employees’ rewards, reward strategies as a tool to retain employees and suggestions for other forms of tools than can be employed in talent retention, as well as suggestions for future research in this regard.
2.1 INTRODUCTION

This chapter provides an overview of relevant research literature in order to provide a framework and to contextualise the study. This review will also assist with the design of the semi-structured questionnaire that will be administered to respondents in order to elicit their perceptions on the influence of rewards on talent attraction and retention. This overview commences with a discussion of the Expectancy Theory in order to provide a framework for the study.

2.2 EXPECTANCY THEORY

According to Vroom’s expectancy theory the individual's perception of effort is positively correlated with the level of performance. Given that the aim of the study is to examine the causal relationships between rewards and talent attraction and retention, Vroom’s theory is appropriate. Vroom’s theory holds that behavior results from conscious choices among alternatives whose purpose it is to maximize pleasure and minimize pain. Together with Lawler and Porter (1996), Vroom (1964) suggested that the relationship between people's behavior at work and their goals was not as simple as was first imagined by other scientists. Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities (Twum-Darko 2011:14).

The theory suggests that although individuals may have different sets of goals, they can be motivated if they believe that:

- There is a positive correlation between efforts and performance;
- Favorable performance will result in a desirable reward;
- The reward will satisfy an important need; and
- The desire to satisfy the need is strong enough to make the effort worthwhile.

The theory is based upon the following beliefs:

(i) Valence (reward desirability) which enables employees to assign value to potential rewards (intrinsic and extrinsic rewards). Valence refers to the emotional orientations people hold with respect to outcomes (rewards). It is essential that management discover
what employee’s value. Thus, valence means that employees will be motivated if they are rewarded with rewards that they value.

(ii) Instrumentality (perceived performance-reward connection) refers to the degree to which employees trust that certain levels of performance will produce diverse rewards (high performance will lead to better rewards or outcomes such as pay rise, promotion or achievement.). Management must ensure that promises of rewards are fulfilled and that employees are aware of that.

(iii) Expectancy (effort-performance linkage) relates to employee levels of confidence in performing a certain task. Employees have different expectations and levels of confidence about what they are capable of doing. Management must discover what resources, training, or supervision employees need. Khan and Mufti (2012:4618) argue that individuals typically expect benefits in exchange for the effort they put into their jobs due to the self-belief in their skills.

Vroom suggests that an employee's beliefs about expectancy, instrumentality, and valence interact psychologically to create a motivational force such that the employee acts in ways that bring pleasure and avoid pain. Bagraim (2007:90) asserts that the Expectancy Theory has been considered as the most advanced motivation theory. Therefore, it is important that managers recognise the diverse needs of employees by being alert to the well-defined association of performance and the rewards (instrumentality). It is thus imperative that managers communicate to employees the behaviours that will be rewarded. In light of this, rewards ought to be crafted in such a manner that where possible they meet diverse individual employees’ needs (valence). Furthermore, efficient expectancy training should be provided within the organisation in order to alleviate barriers associated with performance. Shields (2007:78) regards Vroom’s theory as an assumption that work behaviour is influenced by personal expectations. The following discussion will focus on an exposition of employee rewards.

2.3 EMPLOYEE REWARDS IN ORGANISATIONS

Aktar, Sachu and Ali (2012:9) assert that rewards are one of the important elements to motivate employees for contributing their best effort to generate innovative ideas that lead to productivity within the organisation. Towers Perrin (2007) asserts that reward systems consist of compensation (pay and bonuses), benefits, learning and development and the work environment. In line with this thought, Sutherland (2004:55) suggests that rewards are the elementary component of the employment relationship which specify the value employees receive by committing their time and effort towards the attainment of the organisation’s intentions. In this regard, employers are obliged to create an appealing reward package to attract and retain valuable employees into their organisations.
Thus, employee rewards become significant in supporting job satisfaction as it not only fulfils the essential needs over and above but also helps to attain the higher level of organisational objectives. Smit, Cronje, De Jong, Brevis and Vbra (2007:334) are of the view that employee reward systems are used to strengthen anticipated performance. In this regard, attracting suitable candidates, retaining suitable talent, motivating employees and complying with the law are all objectives of compensation systems (Grobler et al. 2006: 351).

The World at Work (2011:5), a global human resources association in United States of America with main focuses on compensation, benefits, work-life and integrated total rewards, postulates that employee rewards is received as an exchange for services between employee and employer. Kreitner (2004:439) postulates that rewards are the material and psychological payoffs for executing different tasks at different levels in the workplace. Furthermore, employee rewards are also seen as anything perceived as valuable that is given to an employee as recognition for good contribution made. Such rewards can be a strong motivator for improved work performance (Okioga 2012:9). Armstrong and Murlis (2004:11) argue that total rewards typically encompass not only traditional, quantifiable elements such as salary, variable pay and benefits but also intangible non–cash elements such as scope to achieve and exercise responsibility. These rewards also encompass career opportunities, as well as individual, team and organisational learning and development. Such rewards further enhance intrinsic motivation provided by the nature of work being executed and the quality of working life provided by the particular organisation.

Thus, reward systems comprise of extrinsic and intrinsic rewards. Rewards are also referred to as pay an employee receives for a job that was executed (George & Jones 2005:84), and it can be divided into monetary rewards and benefits (Grobler et al. 2006:351). Shields (2007:30) proposes five elements of a total rewards strategy, each of which includes programmes, practices, elements and dimensions that collectively define an organisation's strategy to attract, motivate and retain employees. These five elements consist of compensation, benefits, work-life, performance and recognition as well as development and career opportunities. A reward system does not only encompass money; it also includes non-financial rewards that support intrinsic and extrinsic motivation. Intrinsic rewards incorporate challenging jobs, degrees of feedback, task variety and autonomy whereas extrinsic rewards stem from factors of job context which feature financial rewards, developmental rewards and social rewards. Financial rewards consist of base pay, variable pay and benefits. In addition, financial rewards are continuously principal in reward management, moreover organisations have to attain an accurate combination of financial and non-financial rewards (Shields 2007:30). Shoaib, Noor, Tirmizi and Bashir (2009:2) support the notion that employee rewards are
crucial and that these rewards have the ability to leave a lasting impression on employees’ opinion of their value to the organisations they work for. According to Snelgar *et al.*, (2013:10) employees weigh the quality of their job through intrinsic satisfaction and personal reward they earn from their work. Indeed, retention and commitment can be achieved by effective utilisation of intrinsic rewards. Globally, regionally and locally, there is expanding requirement for organisations to develop reward systems that motivate employee to work harder and faster (Mujtaba & Shuaib 2010:112).

Efficient reward systems funnel employees’ efforts towards realisation of organisation goals (Mujtaba & Shuaib 2010:11). Shoib, *et al.* (2009:14) posit that employee rewards are vital for employee retention as they act as a reminder to employees about the special achievement and the pleasure accompanied by feelings of job satisfaction. These feelings may tend to encourage employees to stay a little longer in the job and to repeat the good effort expended in future. Mujtaba and Shuaib (2010:113) ascertain that the more often the employee sees, thinks about, or utilises the reward, the more the employee is encouraged to realise that he or she is treasured by the organisation and in so doing increase the level of employee retention. Terera and Ngirande (2014:486) contend that rewards strategies that recognise value of employees and address attractive rewards for employees is essential to be implemented because an employee who feels treasured by the organisation is more probable to remain in employment than an unvalued employee would.

### 2.4 FUNDAMENTAL ELEMENTS OF REWARDS

Rewards structures can be designed in an indefinite number of ways and employers will use a combination of numerous techniques to design remuneration packages which is suitable for their organisations (Armstrong 2012:9). According to Bratton and Gold (2007:291) a remuneration package of an employee is usually made up of a combination of fixed and variable pay. These are briefly discussed below.

#### 2.4.1 Fixed remuneration

Fixed remuneration refers to the guaranteed basic salary, allowance/s (housing, travel) and fringe benefits such as retirement funding and medical aid amongst others which are paid to employees (Swanepoel, Erasmus, Schenk & Tshilongamulenzhe 2014:614).

#### 2.4.2 Base pay

Armstrong (2012:164) outlines base pay as the amount of pay (fixed salary or wage) that constitutes the rate for the job. It may be varied according to the grade of the job. Base pay may be expressed
as an hourly, weekly, monthly or annual rate. The base rate may be adjusted to reflect increases in the cost of living or market rates by the organisation unilaterally or by agreement with a trade union. When the base pay is related entirely to the value of the job, rather than the person it is referred to as a job-based pay. Internal and external relativities (going rates) may influence the base pay. P-E Corporate Services (2009), a reputable organisation which leads in providing well researched solutions to the remuneration challenges faced by South African organisations, posit that the organisation’s decision to level base pay is usually determined by broad surveys to benchmark positions across the general industry inclusive of several factors such as the size of the organisation and market pay level of positions.

2.4.3 Fringe benefits

Fringe benefits include any variety of programmes that provide paid time off, employee services and protection programmes. According to Bratton and Gold (2007:291) fringe benefits refer to the part of the rewards package provided to an employee in addition to the guaranteed basic remuneration. An employee remuneration package includes guaranteed employment benefits such as retirement benefits, medical aid benefits, life and disability insurance, housing benefits, car allowance or cell phone allowance (Dulebohn, Molloy, Pichler & Murray 2009:87). Martocchio (2013:6) elaborates that fringe benefits can also include prerequisite perks such as relocation payments, flexible start dates, sign-on bonuses, use of company-owned property, health club membership, tuition reimbursement, financial planning and clothing allowances.

2.4.4 Performance-based pay

Performance-based pay, also known as variable pay or contingency pay is the most popular merit pay scheme that was introduced. It is unfortunately badly managed and the high expectations of its impact on performance and its ability to change behaviour was not fulfilled (Armstrong 2012:264). In addition, the use of performance-related pay relies on the following assumptions:

- It acts as an incentive and thus motivates people to improve their performance;
- Individual differences in performance can be accurately and fairly measured; and
- Pay difference can be fairly related to performance differences and be seen to be related.

For P-E Corporate Service (2009) performance-based pay constitutes an essential component of a remuneration package. The remuneration package includes the structure in which an employee’s additional pay is based on individual, group or organisation performance, usually contingent upon reaching pre-set targets, which can either be accounting measures, market measures or the
combination of both. According to Aguinis (2013:265) performance-based pay means that individuals, teams or organisation are rewarded based on how well they perform on the job. Thus, employees receive increases in pay based wholly or partly on job performance. These increases can either be added to an employee’s base salary or be once off bonuses. Initially, in many organisations within South Africa, contingent pay plans were used only for top management (Armstrong 2012:11). Gradually, the use of contingent pay plans extended to sales jobs and higher education jobs. The study by Baty (2006) in the United Kingdom revealed that 77% of the education institutions are using contingent plans and only 6% of education institutions were not using such plans. Aguinis (2013:265) further points out that when a performance management system has a direct relationship with a reward system, performance measurement and performance improvement are taken more seriously. In other words, contingent pay plans force organisations to define effective performance clearly and to determine what factors are likely to lead to effective performance. Moreover, when contingent pay plans are implemented, organisations need to make it clear what is expected of employees, what specific behaviours or results will be rewarded and how employees can achieve these behaviours or results (Aguinis 2013:265).

2.4.5 Short-term incentive scheme

Aguinis (2013:11) points out that short-term incentive schemes are designed to drive an organisation’s short to medium term business strategies by rewarding the attainment of budgeted or targeted financial and strategic performance. In addition Arguinis asserts that, short-term incentives are also allocated based on past employee performance. Incentives are one-time payments and are sometimes referred to as variable pay. P-E Corporate Services (2009) contends that short-term incentives are company specific and usually paid out within a period of a year in order to prevent the short-term performance from employees. They are paid in the form of performance bonuses which is the common feature in many organisations within South Africa. Short-term incentives are mainly developed to measure a fair level of reward for the achievement of specified organisation performance targets. According to Bratton and Gold (2007) short-term incentive schemes vary as each organisation can design its scheme based on its own requirements which includes profit sharing bonuses which effectively profit pool-sharing arrangements.

2.4.6 Long-term incentives scheme

P-E Corporate Services (2009) reveals that long-term incentive schemes are designed to drive an organisation’s long term business strategies and to promote an entrepreneurial flair. Whilst short-term incentives usually involve an attempt to motivate performance in the short term (quarter or year)
by giving cash bonuses or specific prizes, long-term incentives attempt to influence future performance over a longer period of time. In addition, the primary objective of long-term incentive schemes is to align participant interest with shareholders interest, incentivise and motivate participants, attract and retain scarce talents and reward superior and sustained long-term performance of the organisation. Anguinis (2013:11) states that long-term incentive schemes involve stock ownership or options to buy stocks at a pre-established and profitable price. The rationale for long-term incentives is that employees will be personally invested in the organisation’s success and investment is expected to translate into a sustained high level of performance.

2.5 REMUNERATION DRIVERS

Marchington and Wilkinson (2008:462) make the point that remuneration drivers are a strategy adopted by an organisation that constitutes the essence of its remuneration policy. These remuneration drivers comprise performance-related and non-performance-related drivers which in the aggregate enable an organisation to attract, recruit and retain talented employees; motivate performance through appropriate rewards and ensure internal, external employee equity. Kanime (2011:45) contends that the relative weight of each set of drivers within an organisation’s remuneration policy depends on the organisation’s own varying business circumstances such as the need to retain specific skills or the need to outclass competition in the remuneration space in support of the business strategy. Moreover, remuneration drivers form an integral part of sound remuneration structuring within any organisation and a sound combination of these drivers is critical to provide an organisation with competitive advantage. The following drivers that are discussed below outline both performance related and non-performance-related factors that drive remuneration increases in any organisation.

2.5.1 Performance-related pay drivers

According to Armstrong (2012:264) performance-related pay drivers refer to a remuneration decision to adjust remuneration based on individual, group, corporate performance or the combination thereof. Performance-related pay is a method of compensation in which employees are being paid according to their performance (Lazear 2001:1; Chamberlin, Wragg, Haynes & Wragg 2004:32; Marsden & Belfield, 2006:3; Ingvarson, Kleinhenz & Wilkinson 2007:13). It is a part of a compensation system based on bonuses and incentive pay for high work performance. Performance-related pay schemes use performance and/or competence as criteria for deciding the size of increments and therefore, also the rate of progress through a salary band (Irs & Türk 2012:365).
2.5.1.1 Merit pay

Perkins and White (2008:164); Armstrong (2012:262) and Martocchio (2013:57) describe merit pay as fixed payment to individuals or an increase in the employee remuneration based on the outcome of an annual evaluation of employee performance, competency or contribution. Merit pay is based on motivational theories which include the expectancy theory, goal setting theory, equity and agency theory. These theories advocate that the achievement of organisational target results should lead to automatic payment of agreed and meaningful rewards. Martocchio (2013:57) is of the opinion that employees earn permanent merit increases based on their performance. Pay increases therefore, are intended to reward excellent effort by employees and/or may motivate future performance and assure employers of retaining talented employees.

2.5.1.2 Competency-related pay

Competency-related pay rewards people wholly or partly by reference to the level of competency they demonstrate in carrying out their roles. It is a method of paying people for the ability to perform (Armstrong 2012:266). Competency refers to an underlying characteristic of a person that results in effective or superior performance (Armstrong 2012:266). Competencies includes behavioural competencies which comprise of personal characteristics that individuals bring to their work roles while technical competencies relate to people’s knowledge and skills to carry out their roles effectively.

2.5.1.3 Seniority and longevity pay

Martocchio (2013:53) observes that seniority and longevity pay systems reward employees with periodic additions to base pay according to employee’s length of services in performing their jobs. In addition, these pay plans are based on the assumption that employees become more valuable to organisations over time and valued employees will leave if they do not have a clear idea that their salaries will progress over time. The assumption is that over time employees presumably refine existing skills or acquire new ones that enable them to work more productively (Martocchio 2013:54). In addition, seniority pay rewards employees for acquiring and refining their skills as indexed by seniority. Armstrong (2012:12) points out that service-related pay is supported by both the public and private sector because they are perceived as being fair in nature. Armstrong further argues that linking pay to time in the job rather than performance or competence avoids the partial and ill-informed judgements about people which managers are prone to make. Furthermore, linking pay and time does not encourage good performance.
2.5.2 Non-performance-related drivers

Kanime (2011:49) contends that pay drivers refer to the remuneration decisions to adjust remuneration based on factors that have nothing to do with performance. They comprise of external factors and are beyond the control of the organisation, which include such factors as the need to pay premium rates for certain scarce skills given their shortage or unavailability from the labour market.

2.5.2.1 Market-base pay

Perkins and White (2008:189) contend that market-base pay link salary levels to what other organisations pay for similar jobs. Constant changes in remuneration policies and practices as well as continuous monitoring inform the organisation to review market base pay. Wilkinson and Marchington (2008:462) posit that remuneration increases come about as a result of the need to align remuneration with the labour market in terms of the best practice.

2.5.2.2 Market-competitive pay

Martocchio (2013:145) states that a market-competitive pay system represents an organisation’s compensation policy that fits the imperatives of competitive advantage. A market-competitive pay system plays a significant role in attracting and retaining the most talented employees. In addition, it is contended that well-designed pay systems should promote an organisation’s attainment of competitive strategies.

2.5.2.3 Qualifications-based pay

Perkins and White (2008:182) define qualifications-based pay as a payment system in terms of which employees receive increases in pay for acquiring additional qualifications or being professionally registered with recognised institutions. In addition, acquisition of additional qualifications or professional registration is rewarded through an additional increment or pay increase. Longo (2014:146) states that employers usually offer individuals working for their organizations additional fixed payments in relation to the education and vocational qualifications they have gained. The impact of education and qualifications on pay is not just typical of high professional jobs or, more in general, of white collar professions. According to Kanime (2011:55) the system is flawed in that it is expensive to introduce and maintain since employees will be getting non-job related qualifications.
2.5.2.4 Time-based pay

Perkins and White (2008:156) contend that time-based pay normally reward an employee for his or her attendance at the workplace. Employees are paid for the actual time they spend at work, usually based on an hourly rate, but paid out weekly, fortnightly or monthly.

2.6 ELEMENTS OF TOTAL REWARDS

According to World at Work (2007), five elements of total rewards have been identified, each of which includes programs, practices, elements and dimensions that collectively define an organisation’s strategy to attract, motivate and retain employees. These are (i) Compensation which involves pay offered by an employer to an employee for services rendered which comprise of time, effort and skill. Consist of both fixed and variable pay attached to levels of performance. (ii) Benefits which include packages an employer practices to supplement the cash compensation that employees receive. It comprises of health, income protection, savings and retirement programs provide security for employees and their families. A specific set of organisational practices, policies and programmes, plus a philosophy that actively supports efforts to help employees achieve success at both work and home. (iii) Performance: The alignment of organisational, team and individual efforts toward the achievement of business goals and organizational success. It includes establishing expectations, skill demonstration, assessment, feedback and continuous improvement. (iv) Recognition: Acknowledges or gives special attention to employee actions, efforts, behavior or performance. It meets an intrinsic psychological need for appreciation of one’s efforts and can support business strategy by reinforcing certain behaviors like extraordinary accomplishments that contribute to organizational success. Whether formal or informal, recognition programs acknowledge employee contributions immediately after the fact, usually without predetermined goals or performance levels that the employee is expected to achieve. Awards can be cash or noncash for example, verbal recognition, trophies, certificates, plaques, dinners and vacation tickets. (v) Development which is a set of learning experiences designed to enhance employees’ applied skills and competencies. Development engages employees to perform better and engages leaders to advance their organizations’ people strategies. (vi) Career opportunities which involves the plan for employees to advance their career goals. May include advancement into a more responsible position in an organisation. The company supports career opportunities internally so that talented employees are deployed in positions that enable them to deliver their greatest value to the organization.

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2.7 REWARD MANAGEMENT

The concept of reward management underpins total rewards, which is the focus of this study. The idea of managing rewards in organisations is crucial to all employers, and consequently, many definitions have been proposed, which are now introduced. It is necessary to clarify the meaning of reward management at this stage. Bratton and Gold (2000:238) define reward management as a fundamental regulation of the employment relationship which act as a central pillar of human resource management. Armstrong and Stephens (2006:3) produced a very similar definition, but added that the ultimate aim for the organisation is to be assisted in the realisation of its strategic goals. Reward management is involved with the formulation and implementation of strategies and policies which suggest that employees should be rewarded fairly, equitably and consistently in accordance with their value they bring to the company while striving to assist the company to achieve its strategic goals.

2.8 REWARD STRATEGY

Armstrong (2004:79) indicates that reward strategy is concerned with what the organisation wants to do about reward in future. Armstrong (2009:739) summaries that the reward strategy sets out what the organisation intends to do in the longer term to develop and implement reward policies, practices and processes. Furthermore, Armstrong (2012:152) asserts that a reward strategy aims to provide answers to the following questions (i) what do we need to do about our reward practices to ensure they are fit for the purpose; (ii) how do we intend to get there? Additionally, Armstrong (2012:152) that it refers to the intent on which the organisation wants to do in future to develop and implement reward policies, practices and processes which will further the achievement of its business goals that meet the needs of its stakeholder. The primary aim of the reward strategy is to provide a sense of purpose and direction as well as a basis for developing reward policies, practices and processes which is based on an understanding of the needs of the organisation and employees on how they can best be satisfied. This contention finds support from Armstrong (2004:83), who considers reward strategy to be “a business-focused statement of the intention of the organisation concerning the development of future reward processes and practices which are aligned to the business and human resource strategies of the organisation, its culture, and environment in which it operates”. Wilson (2006:3) describes rewards strategy as a process by which a firm translates its competitive business strategy into a series of programmes and initiatives that will have a positive impact on human behaviour. When the strategy defines what new behaviours are needed and builds systems and practices to reinforce these behaviours, the desired changes become real. More recently, reward strategy has been defined by Armstrong (2010:72) as “pathways that link the needs of the business and its people with the reward policies and practices of the organisation and thereby communicate and explain these
practices”. However, Armstrong and Cummins (2011:31) do stress that “the reality of reward strategy is that it is not such a clear cut process as some believe. It evolves, it changes and it sometimes has to be reactive rather than proactive”. Emerging from the notion of reward strategy, is the concept of total rewards, which reflects the fact that a whole raft of changes in the business environment bring about dramatically different views concerning the nature of rewards.

2.9 EFFECTIVE REWARDS SYSTEM

Hellriegel, Jackson, Slocum, Staude, Amos, Klopper, Louw and Oosthuizen (2006:280) state that in order for organisations to be successful, rewards must be aligned with what employee’s value. Njanja, Maina, Kibet and Njagi (2013:42) state that employees must be conscious of the relationship between their performance and the rewards associated with performance. Employee rewards should be utilised as a method to reinforce good behaviour of employees and improve productivity. Working overtime, taking initiative, team work, reliability, exceptional attendance, outstanding client’s feedback, meeting deadlines and productivity are among the types of behaviour that should be rewarded. An effective employee rewards system needs to be designed to measure all these aspects so that rewards are given appropriately. Furthermore, an effective reward system should focus on remunerating employees and their groups since this will serve as a motivator for employees to have improved performance while undertaking organisational ambitions and objectives. Njanja et al. (2013:43) asserts that immediate rewards are presented to employees for their outstanding performance and include praise by immediate supervisors while short-term rewards consist of cash benefits, special gifts for extraordinary performance and long-term rewards conferred to employees who perform exceptionally well. Receivers of these rewards may be more committed to their employer and thus increase employee retention. Yokoyama (2007) states that long-term rewards may include being incorporated as a business partner and cash benefits which mature after many years of service. These rewards are premeditated for retaining talented employees. Effective employee rewards system needs to be designed to measure all these aspects so that rewards are given appropriately. Furthermore, an effective reward system should focus remunerating employees and their groups since this will serve as a motivator for employees to have higher levels of performance while striving to meet organisational ambitions and objectives.
2.10 REWARDS FOR SCARCE SKILLS

Bussin (2011: 315-316) identified a remuneration treatment for scarce skills that includes:

- **Base pay (guaranteed pay).** In order not to distort the salary scales within an organisation, these employees would be paid within the applicable grade range. It should be ensured that the guaranteed portion is in-line with the appropriate levels of employees within the same grade.

- **Variable pay.** This part of the employee’s total remuneration includes variable pay components such as a performance incentive scheme or a reward and recognition scheme. Measurable targets should be in place, and payouts of these schemes should be inline with the rest of the organisation’s remuneration policy.

- **Market premiums and allowances.** A scarce skill premium may be placed over and above the guaranteed pay. Market premiums are not guaranteed. The premium is usually expressed as a percentage of the midpoint of the organisation’s pay scale, and the same level of premium is paid to individuals irrespective of their position within that scale.

Bussin and Spavins (2009) indicate that remuneration based retention strategies are critical to an organisation’s ability to retain employees. Therefore, organisations should not attempt to have a one-size-fits-all retention strategy but should ensure that it is customised for employees who are motivated by different factors. Retention strategies must be targeted at individuals or groups of employees thus ensuring flexibility in pay structures.

2.11 TALENT RETENTION

Human capital spending entails the attainment, management and maintenance of a talented workforce (Swanepoel et al. 2014:375). It is significant that every recruit who joins the company must be sufficiently skilled during orientation in order to be well versed with the necessary knowledge and skills to undertake the responsibilities and accomplish organisational objectives. Several studies reveal that when employees are rewarded fairly, they will be inclined to stay with their current employer (Kwenin et al. 2013). Terera and Ngirande (2014:285) show that there is a positive relationship between employee rewards and employee retention. This means that the more an employee is rewarded, the more likely they are to remain with that same organisation. Their study also reveals that most employees stay in the same institution for a long time because of the economic gains they receive from that institution. Taylor, Murphy and Price (2006:651) state that while remuneration is adversely correlated to job satisfaction, most managers view it as principal retention
factor. However, Chew and Chan (2008:507) state that remuneration is known as a possible antecedent of organisational commitment and the intention to stay in the organisation, therefore financial rewards play a major role in talent retention.

Hausknect, Howard and Rodda (2009:269) aver that employee retention includes policies and procedures companies utilise to counteract a talented workforce from vacating their jobs. Browell (2003:5) describes employee retention as retaining talented employee that is scarce and preserving them from the organisation not to leave and be exposed to the competitors. Talented employee comprises of employees who occupy positions that are pillars of success for the organisation, these include technical positions. Their occupations are regarded as the basis of competitive advantage. It is significant that the organisation craft strategies that focus on the retention of talented employee that will act as driving force for success over a long time. Retention challenges have been widely reported over the globe. In addition, acquiring experienced employees is costly, on the other hand, retaining them is crucial for the success of the organisation. Human capital maintenance is an expensive but valuable effort. Talent maintenance is also referred to as employee retention (Okioga 2012:12).

Samuel and Chipunza (2013:100) attest that employee retention is one of the most critical issues facing organisational managers since there is a shortage of skilled personnel, as well as high employee turnover. It is imperative for an organization to implement systems aimed at preventing employees from leaving the organization thus protecting the organisation’s return on investment. Samuel and Chipunza (2013:99) are of the view that employees are likely to remain with the organisation only if they believe that the organization shows more interest and concern for them and if they know what is expected of them while being given roles that fit their capabilities. In addition, employees remain longer in positions where they are well informed on relevant issues concerning the organisation’s well-being. Retention strategies across the board have many common features such as a competitive package, good working conditions and human resource practices that offer advancement opportunities (Tithe 2010:11). Therefore, by understanding the nature of retention problems, organisations can decide which retention initiatives to adopt in order to manage overall employee turnover (Musah & Nkuah 2013:119). Netswera, et al. (2005:35) argue that a retention process is designed to increase employees control over their work by improving job satisfaction and enhancing organizational commitment. Hong, Hao, Kumar, Ramedran and Kadiresan (2012:60) postulate that in order to retain best talent, strategies aimed at satisfying employees’ needs should be implemented irrespective of the size of the organisation. Retaining talented employees is advantageous to any organisation in the attainment of a competitive advantage.
2.12 IMPORTANCE OF TALENT RETENTION

Chikumbi (2011:58) contends that achieving retention success begins by implanting organisation culture that regard people as principal priority. In addition, executive management should drive this culture to the line managers. Integration of departments, co-ordination and integration of activities which comprises of recruitment, training and performance management will produce demonstration of a dedication and empowerment of employees to the company which will regularly contribute to retention efforts. Customer satisfaction, increases sales, promotes working relationships, improves employee-manager relationships and enables valuable succession planning is fostered by employee retention. Inability to retain key talent is costly in any kind of business format.

2.13 DETERMINANTS OF TALENT RETENTION

2.13.1 Rewards

Noe, Hollenback, Gerhart and Wright (2003:494) argue that rewards is a key factor to attract and retain the best workers, especially during economic or market place vitality or mergers or acquisitions when people are uncertain about their jobs. Pleasant rewards packages are believed to be significant features of retention as it fulfils monetary and material desires (Shoaib et al. 2009:5). Swanepoel, Erasmus, Van Wyk and Schenk (2008) and Amstrong, Brown and Reilly (2010) reveal that remuneration impacts on the attraction and retention of employees. Phillips and Gully (2012) assert that competitive wages and benefits have been listed as a means for attracting and retaining employees. Milkovich and Newman (2009) state that among all types of rewards, monetary pay is considered one of the most important and significant factors in retention of employees. Tettey’s (2006:3) study on employee retention in African Universities reveals that dissatisfaction with salaries is the key driver for the lack of organisational commitment which propels academic employee to leave. Moncarz, Zhao and Kay (2009: 441) state that the most notable and dominant organisational retention initiatives are compensation and benefits. In addition, research by Moncarz, et al. (2009) reveals that that highly competitive wage systems stimulate employee commitment, which improves the attraction and retention of talented employee. Beulen (2009:277) revealed that remuneration and career opportunities are the main reasons why employees leave or stay organisations. Noe, et al. (2003:439) note that when it comes to retention, employees who are recruited from another organisation are often attracted with promises of higher salaries.
2.13.2 Leadership

Colquitt, Lepine and Wesson (2013:450) define leadership as the use of power and influence to direct activities of followers toward a goal achievement. Nel, et al. (2001:349) define leadership as a process whereby one individual influences others to willingly and enthusiastically direct their efforts and abilities towards attaining a defined group or organisational goal. Ng’ethe, Iravo & Namusonge (2012:300) state that a critical leadership role is to initiate a work atmosphere that connects the organisation to employees. Michael (2008:85) reasons that it is on the hands of leadership to encourage employees to be devoted with the organisation irrespective of existence of job opportunities externally. According to O’Neal and Gebauer (2006:9), leadership is one of the critical elements in the engagement equation. The higher the leader’s leadership score, the higher the willingness to perform a task; and that the higher the employee’s job satisfaction, the lower the employee’s job stress and the lower the employee’s turnover intention (Hyttter 2007:71). Taylor (2004) stresses that the organisation cannot leave the responsibility for the retaining of high achieving employees to human resource departments but that responsibility and accountability should be shared amongst leaders. Leaders who show interest in and concern for employees will encourage them to remain with the organisation. Gwavuya (2011) attests that incapable leadership causes poor employee performance, high stress, low job satisfaction and turnover intention. The study by Netswera, et al. (2005) revealed that management approach was the most major retention factor in South Africa. The above discussion provides sufficient evidence that leadership plays a significant role in talent retention.

2.13.3 Work environment

Mrara (2010:23) asserts that working conditions in an organisation play a significant role in determining whether to remain with or leave the employer. Pleasant working conditions can serve as a motivating factor for employees. The influence of service benefits on employee retention cannot be left unnoticed. Numerous employee service benefits are regulated by legislation in South Africa, and leave; working time; employment remuneration; and others; are some of the benefits that employees are entitled to (Swanepoel et al. 2014:645).

2.13.4 Training and development

Bernadin and Russell (2013:275) define training as any attempt to improve employee performance in a currently held job or one related to it. This usually means changes in specific knowledge, skills, attitudes or behaviors. It involves a learning experience, planned organisational activity that meet
organizational goals simultaneously meet individual goals. Development refers to learning opportunities designed to help employees grow. Such opportunities are not only limited to improving employee performance in their current jobs. Development is aimed at the long-term to help employees prepare for future work demands while training often focuses on the immediate period to help fix any current deficits in employees skills. Advancement opportunities are classified as a vital motivator in terms of Herzberg’s theory. Training and development opportunities for academic employee serve as the human capital investment that guarantees growth while ensuring meaning to the current job. Garg and Rastogi (2006:573) concur that employees who are engaged in life-long learning are required in the competitive environment since they are capable of meeting market challenges and investment in knowledge is crucial for surviving in any global markets. Thus, knowledge is the most expensive asset of any firm (Handy 2008). Moncarz, Zhao and Kay (2009:440) state that it is imperative to acquire attractive salary and benefits package, that give a guarantee to employees that their skills, efforts and abilities are being acknowledged thus enforce retention. In addition, in organisations where employees attain proper training that is necessary to undertake greater responsibilities, turnover rates are generally lower.

### 2.13.5 Autonomy

Ng’ethe, Iravo & Namusonge (2012:209) view autonomy as the degree to which an employee exercises power related to his or her job. It is the competence of employees to set organizational goals and to structure the organisation to exploit professional interests. Dockel (2003:19) points out that substantial freedom, independence as well as procedures used in carrying out the job rely on increased feelings of personal responsibility.

### 2.13.6 Recognition

Ng’ethe, et al. (2012:210) describes employee recognition as timely, informal or formal acknowledgement of a person’s or a team’s behavior, effort or business result that supports the organisation’s goal and values which have clearly been beyond normal expectation. In addition, appreciation is structural human need and employees react to gratitude conveyed through recognition of their excellent work as it confirms that their work is valued. Employees incline to remain with organisations which recognise and appreciate their capabilities, efforts and performance contributions. A study by Kwenin, et al. (2013) reveals that recognition has a positive relationship with employee retention. Employees desire not only financial rewards but recognition as well. However, it is without a doubt that recognition programmes that provide intrinsic satisfaction needs to be implemented in an organisation. The Hay Group survey (2005) points out that it is
uncomplicated for employees to depart when they are not appreciated for their good work. Rewarding employees with other aspects such as recognition is crucial in the retention of talent. Amstrong and Murlis (2007) concur that financial rewards are not sufficient to reward employees but recognition programmes should be established since they link with the esteem needs.

2.14 FACTORS AFFECTING TALENT ATTRACTION

2.14.1 Company reputation

Doane (2009:4) states that good a reputation is one of the finest recruitment instruments for attracting superior prospective employees to an organization. A company that is well-known for positive reasons tends to attract prospective candidates. Prospective applicants are inclined to search for job opportunities with that company simply because it is well-known for their good reputation as well as for the products or services offered by the company. Being in possession of a strong reputation can potentially allow reduced recruitment spending and increased retention (Berthon, Ewing & Hah 2005:154). A great deal of time and effort is required to build a quality reputation. Furthermore, earning a reputation as “Best Employer or Employer of Choice” will attract prospective employees. In addition, being recognised and awarded these credentials also entice prospective employees. Numerous organisations attentively go all out in order to achieve such prestigious reputation since it is a valuable asset.

2.14.2 Working conditions

Working environment is a significant factor for employees to be successful in their careers and for talent attraction. If working conditions does not motivate them to work then it will be an excuse for employees for not working. Employees will enjoy working in an environment that offer a positive work setting, where they feel valued and where their efforts are capable of taking the organisation forward (Fauzi, Ahmad & Gelaidan 2013:646).

2.14.3 Compensation and benefits

Significant characteristics that companies use to attract talent are compensation and benefits. Doane (2009:3) affirm that these forms can become very complicated due to the fact that businesses always try to account for their competitors while determining what is best for their own company. Competitors and various industry factors impact negatively because an organisation cannot afford to pay much below the benchmark without the loss of qualified employees. Therefore, most companies that compete in the same industry will offer compensation packages and benefits that are within a
reasonable range of each other. Consequently, this competition on financial matters complicates the
decision process for prospective recruits who receive similar offers from multiple companies.
Numerous aspects may entice applicants and allow them to differentiate organisations from one
another. This incorporates corporate culture, company policies, and the general atmosphere of the
work environment.

2.14.4 Good employment practices

According to Hutchings, De Cieri and Shea (2011:17) employees will be attracted to organisations
that have implemented a range of good employment practices including competitive remuneration
and bonuses, training and development, and improved workplace benefits, with a small number
providing flexible, non-standard work. This indicates that some companies have high involvement
work systems and suggests that companies support the view that the provision of a positive
organisational environment can lead to attraction and retention of employees (Zatzick & Iverson,

2.15 CONCLUSION

In this chapter it was argued that sound employee reward programmes are of critical importance to
organisations because the way they are designed and administered can have a significant influence
on employee behaviour and on their commitment to achieve organisational goals. It was argued that
effective utilisation of both intrinsic and extrinsic rewards constitutes a major part of the manager’s
role to manage his or her subordinates. It was pointed out that remuneration systems can be designed
in various ways depending on what the organisation is willing to achieve. The researcher suggests
that organisation’s should develop rewards that are cost-effective while ensuring equal distribution
of rewards. Consequently, factors that may cause organisations to struggle to attract suitable talent
into their employment, such as recruitment strategies; human resource development; working
conditions and company branding; were discussed in this chapter. Organisations should establish
attraction strategies in order to attract and retain valuable employees to remain competitive in the
corporate world.
CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The literature reviewed in the previous chapter provided a theoretical framework for rewards, staff retention and talent attraction among academic lecturers. According to Cohen, Manion and Morrison (2003:45); Kerr, Hall and Kozuh (2004:1) research is a process of achieving solutions to problems using planned and systematic method. Quantitative and qualitative methods can be used to conduct a successful project. This chapter outlines the research design and methodology that was used to investigate employee rewards on talent attraction and retention at the selected FET College in the Gauteng province of South Africa. The process used in administering the data collection instrument and the methods used to collect and analyse the data are also presented. This chapter also provides an insight into the need for and how ethical considerations were maintained in this study.

3.2 RESEARCH DESIGN

A research design, according to Creswell (2008:59), outlines the specific procedures for collecting, analysing and reporting in quantitative research. It may be thought of as a map of how the research will unfold and provides a logical plan as to how it will be conducted and the findings validated. For Mouton (1996:175) the research design serves to plan, structure and execute the research in order to maximise the validity of the findings.

The design for this study was for quantitative research in which a questionnaire was administered, containing dependent and independent variables. The items in section B to F served as independent variables whereas section G and H served as dependent variables. An independent variable is a variable with values that are not problematic in an analysis but are taken as simply given (Babbie 2008:19). In the research, factors such as age, gender, teaching qualification, and affiliation to teacher unions were considered to be independent variables, whilst the dependent variables were assumed to depend on or be influenced by the independent variables (Babbie 2008:19). The perceptions of employee rewards, talent attraction and retention formed the dependent variables. Yin (2003:175) suggests colloquially a research design is a plan of action for getting from “here to there”, where “here” may be defined by a set of questions to be answered and “there” a set of results to be validated. However, the results or data collected must be valid and reliable.
3.3 RESEARCH METHODOLOGY

In line with the objectives of the study and Vroom’s theory, which has been chosen as a theoretical framework for this study, the researcher has opted for a quantitative research method and a survey design. The quantitative method is regarded as appropriate for this study as it enables the researcher to examine the causal relationships between rewards and employee attraction and retention. Quantitative research is useful for describing trends and explaining the relationship among variables found in the literature (Creswell 2009:645). According to Hunter and Erin (2008:290-306), quantitative methods include the following:

- The generation of models
- The development of an instrument and methods of measurement
- Experimental control and manipulation of variables
- Collection of empirical data
- Modelling and analysis of data
- Evaluation of results

Quantitative research is useful when the sample being investigated is large, and it involves collecting data, analysis, interpreting data and reporting on findings. Furthermore, Maree (2009:145) suggests that the quantitative research method is systematic and objective in its method of using numerical data from a selected representative sample to generalise the findings to the population that is being studied (Monette, Sullivan & De Jong 2008:9). Silverman (2001:2) further attests that the features of quantitative research are “hard, fixed, objective, value-free, survey, hypothesis testing and abstract”. In this study the data was analysed using SPSS 23.0. Quantitative data can be seen as consisting of numbers that have been statistically analysed from a large number of respondents sampled.

3.4 PRIMARY DATA

Primary data is collected when the researcher is involved in empirical investigation or field work. Primary data in a structured form was collected from academic staff at Sedibeng FET College on all four campuses (Heidelberg, Sebokeng, Vanderbijlpark and Vereeniging). An adopted, self-administered close-ended questionnaire was used to collect primary data from the entire population of 209 academic employees.
3.5 SECONDARY DATA

Secondary data was sourced from a comprehensive review of internet articles, journal articles, textbooks, theses, dissertations, publications, government gazettes, magazines, newspaper articles, reports, conference proceedings and government policies.

3.6 RESEARCH TARGET POPULATION

A study population is the full set of elements from which a representative sample is taken as a target of respondents (Welman, Kruger & Mitchell 2005:52). The current study population comprised of all academic staff at Sedibeng FET College on all four campuses (Heidelberg, Sebokeng, Vanderbijlpark and Vereeniging) in Gauteng, comprising a total of 209 staff members. The population may be the totality of persons, events, organisation units, case records or other sampling units with which the research problem is concerned (McBurney 2001:248). The 209 staff members constituted campus managers (n=4), heads of department (n=4), and subject lecturers (n=201) who participated in the research by providing their perceptions to the items posed in the questionnaire. The entire population of 209 employees participated in the study. The researcher requested permission from the Department of Higher Education and Training to conduct research at a selected FET College (see Annexure A).

3.7 JUSTIFICATION OF USING THE QUANTITATIVE SURVEY METHOD

According to Denscombe (2003:6), surveys have emerged in recent times as one of the most popular approaches to social science research. A survey is the procedure of systematically acquiring and recording information about the members of a given population. According to Brannick and Roche (2007:11), the survey method is systematic as it uses information that is gathered from respondents via a questionnaire. Brannick and Roche (2007:11) further state that the survey method can be utilized to perform exploratory, descriptive and analytic investigations. A survey is a study of an entire population, as opposed to selection by using a sampling technique (Fox & Bayat 2007:87). For the purposes of this study, the entire target population of 209 academic employees, from all four campuses of Sedibeng FET College in Gauteng will be included in the empirical investigation. According to Sekaran and Bougie (2010:295) a sample size between 92 and 97 is appropriate from a target population size ranging between 120 and 160. Denscombe (2003:21) suggests that to be able to generalize the findings of a survey, the sample must be both, representative of the population and of an adequate size. This evidence is supported by Goddard and Melville (2001:35) citing that a sample must be large enough to correctly represent the population. This view is further reinforced by
Tashokkori and Teddlie (2003:715) postulating that in order to arrive at vital and reliable conclusions, adequate sampling of the population in the study area needs to be completed. Furthermore, the entire target population of 209 academic employees of Sedibeng FET College served as the sample.

3.8 MEASURING INSTRUMENT (QUESTIONNAIRE)

The main method of data collection was the questionnaire, designed to elicit information from the participants (Babbie 2008:272). As Creswell (2009:46) suggests, it is the researcher who decides, asks specific narrow questions, collects quantifiable data from participants, and analyses these numbers using statistical procedures. For the purpose of this study, three instruments was utilised in measuring employee rewards. Thus the Total Rewards Questionnaire adopted from World at Work (2008) was administered to the selected respondents. The questionnaire was developed with the aim of allowing employees to determine important specific total rewards, as well as to record their levels of satisfaction with the total rewards they are offered. However, the majority of questions in this study were based on Likert scales. Cohen, et al. (2003:253) maintains that Likert scales allowed for objective responses. The measuring instrument in this study included the pertinent questions related to the topic, the problem statement and the objectives. Each questionnaire contained a letter explaining the ethical considerations involved, notably that it was a voluntary exercise but that participation in the completion would be appreciated (Annexure B). Each set of questionnaires was also accompanied by approval from Department of Higher Education and Training (Annexure A) and a total of 209 questionnaires sent to the FET college only 154 were returned with complete information that could be analysed. The carefully structured questionnaire contained 59 questions, divided into three sections. Section A asked for certain biographical data; Section B to Section F dealt with questions on employee rewards and Section G asked questions on the respondents on employee retention and Section H and I dealt with talent attraction.

The participants were asked to indicate the extent of their agreement or disagreement with the statements on a scale of 1 to 5, as follows:

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly agree</th>
</tr>
</thead>
</table>

On this scale, 1 would mean that they strongly disagreed and 5 that they strongly agreed with the statement provided. The intervals 2, 3, 4 were to be regarded as equal intervals between 1 and 5. The questions were presented in such a way that they would not elicit more than one answer.
3.9 CHARACTERISTICS OF A GOOD QUESTIONNAIRE

According to Willemse (2009:15), a good questionnaire has three parts, namely: an administrative part; a classification part; and subject matter of inquiry. In a similar manner, the questionnaire was developed to cater for the administrative part, the classification part and the inquiry part (Section A, Section B and Section C). According to Maree (2003:108), the characteristics of any standardized measuring instrument must be reliable, valid, objective, suitable and feasible. Cohen, Mannion and Morrison (2003:257) maintain that the order and layout of the questionnaire sets the tone for the empirical research. Bourque and Fielder (1995:17) state that the questionnaire must be short. It must include mostly close-ended questions and the questionnaire must stand alone, that is, all the information pertaining to the study should be included in the questionnaire. All these factors were considered in developing the close ended structured questionnaire for this study.

3.10 PILOT STUDY

Barker (2003:327-328) defines a pilot study as a procedure for testing and validating an instrument by administering it to a small group of participants from the intended test population. In addition, those who will participate in the pilot study will not participate in the main inquiry (Rubin & Babbie, 2005:219; Unrau, Gabor & Grinell, 2007:179). Therefore, a pilot study helps the researcher to fine-tune and debug the process for a smooth main inquiry as alluded by Mitchell and Jolley (2001:13-14). A pilot study will be conducted to test validity of the research instrument and identify unclear or ambiguous items in the questionnaire. The pilot study was conducted with 30 random target respondents from the FET College. Responses was captured to conduct a Cronbach Coefficient Alpha Test in order to determine the reliability of the questionnaire. Griffin (2005:1) states that Cronbach’s Alpha measures internal consistency as well. In addition, it is necessary to determine the reliability of the questionnaire in the pilot study. Therefore, the questionnaire will be piloted with a group of academic staff that will not take part in the actual study. This will help the researcher to identify problem areas in the questionnaire and feedback that will be obtained from the pilot test will be used to modify the questions that are ambiguous or confusing.

3.11 RELIABILITY AND VALIDITY OF A MEASURING INSTRUMENT

Joppe (2000:1) defines ‘reliability’ as the extent to which results are consistent over time and considers the data presented as being reliable when an accurate representation of the total population
under study is represented. For Creswell (2008:168), reliability is achieved when the scores from an instrument are stable and consistent. Those obtained by respondents should be similar when a researcher administers the instrument on different occasions (Creswell, 2008:168).

‘Validity’ of the research, meanwhile, refers to the accuracy of the interpretations of the data collected. Of the various forms of validity, two were important to this research. Firstly, content validity, as defined by Creswell (2008:172), is the extent to which the questions on the instrument are representative of all the possible questions that a researcher could ask about the content or skills concerning the construct under investigation. Secondly, construct validity is concerned with whether the construct is measuring what it is supposed to measure (Creswell 2008:173). One technique used to measure construct validity is factor analysis, and should the construct prove to be valid and reliable then further statistical analyses can be conducted to investigate possible associations between the dependent and independent variables.

3.12 DATA COLLECTION

A semi-structured questionnaire was administered to the population (N=209) at the four campuses of the FET college that is being studied.

3.13 DATA COLLECTION METHOD

According to Maree (2003:48), face to face, postal, telephone, group and computer assisted survey methods can be used to collect data. Sharma (1995:137) reflects that the personal method of data collection has many advantages. Several methods can be used to collect data from the sample of respondents with each method having its advantages and disadvantages. Brannick and Roche (2007:16) emphasize that the selection of a data collection method is an important factor in the research design. According to Cooper and Schindler (2003:87), the gathering of data may range from a simple observation at one location to a complex survey of multinational co-operations at sites in different parts of the world. The method that the researcher selects will largely determine how the data is collected. Maree, Creswell, Ebersohn, Ellof, Ferreira, Ivankova, Jansen, Niewenhuis, Pieterson, Plano Clark and Van Der Westuizen (2007:156) cites the following as some of the most commonly used data collection methods:

- Group administration of questionnaires where the researcher waits while an entire focus group of respondents completes the questionnaire.
- Postal survey where the questionnaires are posted to the respondents with instructions.
• Telephone survey where the respondents are to ask questions and record answers.
• Face to face/personal survey where well trained interviewers visit respondents and ask questions and record answers.
• Personal method where the researcher distributes the questionnaires personally and collects completed questionnaires later.
• Electronic mailing where the researcher sends questionnaires and instructions via the electronic mailing system.

Kumar (2005:22) explains that any medium through which data is collected is referred to as a research tool. He further states that a combination of data collection tools is often useful in order to increase validity of the data being collected. Due to the fact that the population in the FET College being studied was small, the researcher used the personal method for the data collection from the identified target respondents. The highest response rate can be obtained from the personal method of data collection and this is the most accurate method. However, the personal method of data collection was feasible for this study due to the fact that it is cost effective. In this study, a structured close-ended questionnaire (Annexure C) was used to collect the primary data. Goddard and Melville (2001:41) define an instrument as any device that researchers use to measure collected data. Brannick and Roche (2007:16) support the use of questionnaires as being the preferred instrument of data collection for the survey method. Vithal and Jansen (2003:21) posit that a survey questionnaire should be designed in a way that large-scale quantitative data could be solicited. According to Raj (2002:176), the use of the questionnaire is advantageous to the study as it provides the respondent with sufficient time to think before he or she finalizes a reply. Raj (2002:176) further highlights that questionnaires also guarantee anonymity and bring uniformity in the manner respondents understand the questions that are posed to them.

3.14 HYPOTHESES FORMULATION

Cohen, et al. (2003:15) state that a good hypothesis must have the character of a logical relationship. Willemse (2009:199) argues that the hypothesis is used to statistically test for significance between two variables, the dependent variable and the independent variable, to draw conclusions. Gerring (2007:71) points out that all hypotheses have at least one independent variable \( (x) \) and one dependent variable \( (y) \). The hypothesis indicates what is being tested, that is, the relationship between the dependent and independent variable. Uys (2003:92) and Davies (2007:249) assert that it is important to use robust parametric testing to determine if relationships are significant. The independent variable in this study was the employee rewards \( (x) \) and talent attraction, retention were the dependent
variables \((y)\). In order to determine whether there are significant relationships among the independent variables and dependent variable, Pearson Correlation Coefficient analysis was carried out. The scale model suggested by Karthikeyan, Devi and Mirudhubashini (2013:21) used to describe the relationship between the independent variables and the dependent variable, are as shown below:

- 0.7 and above – very strong relationship,
- 0.50 to 0.69 – strong relationship,
- 0.30 to 0.49 – moderate relationship,
- 0.10 to 0.29 – low relationships and
- 0.01 to 0.09 – very low relationship.

A further discussion on the hypotheses formulated in this study is conducted under the analysis of results and discussion of findings.

### 3.15 ADMINISTRATION OF THE QUESTIONNAIRE

Gubrium and Holstein (1997:56) mention that it is complex to research institutions as authorization is necessary. In the light of this, approval to conduct the study from the Department of Higher Education and Training (Annexure A) was obtained. The Department of Higher Education and Training advised that the letter of approval was to be attached to each questionnaire, the covering letter (Annexure B) and the questionnaire (Annexure C) was distributed to 209 sample respondents in Sedibeng FET College. Of the 209 respondents 160 returned the questionnaires to the researcher. However, upon scrutiny it was discovered that one respondent did not answer the majority of questions. This questionnaire was therefore discarded completely. Of the remaining 159 questionnaires some of the respondents left one or two questions blank and 154 questionnaires was completed correctly. Sekaran (2003:303) refers to this as item non response, and these blank responses were left out of the statistical analysis, which varied for each question. Thus, this represented an average response rate of 76%.

### 3.16 ETHICAL CONSIDERATIONS

According to Mouton (2006:238-239), “the ethics of science is concerned with what is wrong and what is right in the conduct of research”. The intention of the research, the nature of the research, the involvement of the participants in the research and their rights was explained to the participants. Saunders, et al. (2003:131) provide a list of key ethical issues that normally require adherence when undertaking a research project, which include:
• The voluntary nature of participation and the right to withdraw partially or completely from the process;
• Consent and possible deception of participants;
• Maintenance of the confidentiality of data provided by individuals or identifiable participants and their anonymity;
• Privacy of possible and actual participants;
• Reactions of participants to the way in which you seek to collect data;
• Effects on participants of the way in which you use, analyse and report your data; and
• The behaviour and objectivity of the researcher.

3.17 INFORMED CONSENT

The researcher required informed consent from the respondents and assure them of the confidentiality and transparency of the information which is required. The researcher informed the respondents of their right to accept or withdraw from participation in the research at any point in time during the research. Respondents was also be informed that the information required is solely for academic purposes and for the improvement of the organisations.

3.18 DATA ANALYSIS

Data was analysed by means of statistical software, i.e. Statistical Package for the Social Sciences (SPSS) version 23.0. The initial data was analysed with descriptive statistics for the demographic variables. According to Maree (2003:90), statistical techniques can be classified under two broad headings: descriptive statistics and inferential statistics. The descriptive statistics was used to analyse the composition and characteristics of the sample data. Descriptive statistics include the ordering and summarising of data using tables and graphs and calculating descriptive measures. Statistical inference arising from the use of robust statistical tests produces meaningful conclusions about the population. The relationship between the two techniques is based on probability theory. Probability theory was used to quantify uncertainties about the conclusions that are generalised (Maree 2003:90). Angrist, Imbens and Rubin (2005:149) assert that robust tools of appropriate parametric tests should be applied to test the hypotheses.

3.19 CONCLUSION

This chapter provided an account of the quantitative research methodology that was adopted in this empirical study. The target population, sampling, reliability, ethical considerations and data
collection methods were explained. The presentation of data and the analysis of results will be outlined. The analysis of the results for each analysed response category is followed by a discussion of the key findings of the empirical component of the study.
CHAPTER 4: PRESENTATION OF DATA AND ANALYSIS OF RESULTS

4.1 INTRODUCTION

This chapter presents data and the analysis of results and discusses the findings obtained from the empirical analysis of the questionnaire in this study. The data collected from the responses were analysed with the Statistical Package for the Social Sciences (SPSS) version 23.0 for Windows. The results are presented in the form of numbered graphs, figures and tables. The target population comprised 209 target respondents from Sedibeng FET College. A questionnaire that comprised mainly Likert Scales, was administered to 209 target respondents which is academic staff. Of the 209 respondents 159 returned the questionnaires to the researcher. However, upon scrutiny it was discovered that one respondent did not answer the majority of questions. This questionnaire was therefore discarded completely. Of the remaining 159 questionnaires some of the respondents left one or two questions blank, only 154 questionnaires was legitimate to be used on the study. Sekaran (2003:303) refers to this as item non response, and these blank responses were left out of the statistical analysis, which varied for each question. Thus, this represented an average response rate of 76%. Sekaran (2003:303) states that for blank responses (item non response), it is necessary to indicate that “xx questions were not answered”. Sekaran (2003:303) further attests that the researcher should “ignore the blank response”. It was therefore necessary to indicate the number of sample respondents that did not answer the question. Hence, the average response rate varied for each question in this study. These campus manager assisted distribution questionnaires. Hence, campus managers, head of department, senior lecturers and lecturers formed the unit of analysis in this quantitative study. This chapter focuses on the descriptive and inferential statistics used for the analysis.

4.2 PILOT STUDY RESULTS

Prior to the final stages of the study, a pilot study was conducted to test the reliability of data collection instrument. In order to test the reliability of the measuring instrument in this study, a structured questionnaire was used to survey a pilot sample of 30 respondents in order to refine the measurement instrument (questionnaire) in terms of wording, clarity, layout, relevance of the questions and ambiguity of items’ content as well as translation biases. Relevant alterations were made to the questionnaire, where necessary several items were deleted and some rephrased. The services of a statistician were sought to test the consistency of the questionnaire. The statistician administered the Cronbach’s coefficient alpha test on 30 questionnaires and the results are in Table 4.1 below. Table 4.1 shows that Cronbach’s alpha for the Total rewards was .822.
### TABLE 4.1 CRONBACH’S ALPHA FOR THE PILOT TEST

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha</td>
<td>.822</td>
</tr>
</tbody>
</table>

### 4.3 ANALYSIS OF RESULTS

An overview of descriptive and inferential statistics used in this empirical study is presented below. The preliminary analysis is shown using descriptive statistics. According to Levine, Ramsey and Smidt (2010:1), the term ‘statistics’ can have many meanings and as the number of observations get larger, it becomes necessary to condense the data into appropriate summary tables. Franzosi (2004:5) attest the need to present, analyse and interpret the findings. A frequency distribution is a summary table in which the data are arranged into established categories. The descriptive data in this study is presented in tables, pie charts and bar charts. Lind, Marchal and Mason (2004:6) suggest that descriptive statistics describe the organising and summarising of quantitative data. Williamse (2009:29-34) states that discrete data can be presented using bar and pie charts. According to Sekaran (1993:270), inferential statistics comprises two branches, namely: Parametric Statistical Tests (robust) and Non-Parametric Statistical Tests (less robust).

### 4.4 DESCRIPTIVE STATISTICS

Descriptive statistical techniques were used to evaluate and analyze the data in order to obtain statistical results. According to Goddard and Melville (2001:9) descriptive or case study research is research in which a specific situation is studied either to see if it gives rise to any general theories, or to see if existing general theories are borne out by the specific situation. Welman, Kruger and Mitchell (2005:231) define descriptive statistics as the description and/or summary of the data obtained for a group of individual units of analysis. Treiman (2009:114) states that presenting descriptive statistics is informative as it allows the reader to understand the most basic aspects of the data being analyzed. The descriptive statistics based on the demographic information of the study. It is presented using frequency tables, cross-tabulations and various types of statistical tests employed to yield a statistical value. Bryman and Cramer (2009:199) describe cross-tabulation as one of the simplest and most frequently used ways of demonstrating the presence or absence of a relationship between variables. Maree (2009:184) define frequencies as the numerical way of summarizing the choice made by respondents. Bougie and Sekaran (2010:313) explain frequencies as the number of times various sub-categories of a certain phenomenon occur, while McMillan and Schumacher (2006:153) refer to
frequencies as the number of times the same score is obtained. The statistical section shows the analyses of the main variables related to the respondents’ perception towards employee rewards, talent attraction and retention. These three components were central to the study. The data collected provided valuable insight into the complexity of the phenomenon under the study. The analyses that follow indicates the scoring patterns of the respondents for the variables that constituted the different categories of the measuring instrument that was personally administered to the 209 target respondents and only 154 was used because it was filled correctly. The data collected was analysed according to three themes, namely, analysis on employee rewards (Section B to Section F) and data analysis on employee retention (Section G) and talent attraction (Section H and I) in relation to the questions aligned to the manner in which the questionnaire was formulated.

4.4.1 Gender (A1)

Table 4.2: The frequencies of the gender groups in the sample

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>58</td>
<td>37.7</td>
<td>37.7</td>
<td>37.7</td>
</tr>
<tr>
<td>Female</td>
<td>96</td>
<td>62.3</td>
<td>62.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>154</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The lack of statistics for FET colleges except for indicating that Sedibeng FET College has 240 lecturers and 4 management staff (DHET 2014: 25) make it virtually impossible to determine the representivity of the sample. Suffice to say in this sample there were 1.66 female respondents for every one male respondent and this is probably representative of the Sedibeng FET College.

4.4.2 Racial groups

There were initially four racial groups but responses were received from only Blacks (Group1) and Whites (Group 2). The frequencies are given in Table 4.3

Table 4.3: The frequencies of the racial groups in the sample

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>127</td>
<td>82.5</td>
<td>83.0</td>
<td>83.0</td>
</tr>
<tr>
<td>White</td>
<td>26</td>
<td>16.9</td>
<td>17.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>153</td>
<td>99.4</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td>.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The sample consisted of mostly Black respondents with about 4.9 Black respondents for every 1 White respondent. This may be fairly representative of the racial composition of the Sedibeng FET College.

4.4.3 Marital groups

Table 4.4: The frequencies of the marital groups in the sample

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>62</td>
<td>40.3</td>
<td>40.3</td>
<td>40.3</td>
</tr>
<tr>
<td>Married</td>
<td>85</td>
<td>55.2</td>
<td>55.2</td>
<td>95.5</td>
</tr>
<tr>
<td>Divorced</td>
<td>6</td>
<td>3.9</td>
<td>3.9</td>
<td>99.4</td>
</tr>
<tr>
<td>Widowed</td>
<td>1</td>
<td>.6</td>
<td>.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>154</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The data in Table 4.3 could probably be reduced to two groups namely single with divorced and widowed forming one group and married the second group. The 40.3% of single persons at the Sedibeng FET College does seem high when compared to the 55.2% of married respondents.

4.4.4 Age groups in the sample

The SPSS 22.0 data is provided in Table 4.4

Table 4.5: The frequencies of the age groups in the sample

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 - 29 years</td>
<td>37</td>
<td>24.0</td>
<td>24.0</td>
<td>24.0</td>
</tr>
<tr>
<td>30-39 years</td>
<td>73</td>
<td>47.4</td>
<td>47.4</td>
<td>71.4</td>
</tr>
<tr>
<td>40-49 years</td>
<td>26</td>
<td>16.9</td>
<td>16.9</td>
<td>88.3</td>
</tr>
<tr>
<td>50-59 years</td>
<td>18</td>
<td>11.7</td>
<td>11.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>154</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The largest percentage of respondents were in the 30-39 year age group namely 47.4%. It could thus be that the average age is around 35 years of age.
4.4.5 Highest educational qualification (A5)

Table 4.6: The frequencies of the highest educational qualification groups in the sample

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma/Degree</td>
<td>81</td>
<td>52.6</td>
<td>52.6</td>
<td>52.6</td>
</tr>
<tr>
<td>Honours degree</td>
<td>33</td>
<td>21.4</td>
<td>21.4</td>
<td>74.0</td>
</tr>
<tr>
<td>B. Tech</td>
<td>36</td>
<td>23.4</td>
<td>23.4</td>
<td>97.4</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>3</td>
<td>1.9</td>
<td>1.9</td>
<td>98.1</td>
</tr>
<tr>
<td>Doctorate</td>
<td>1</td>
<td>.6</td>
<td>.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>154</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.4.6 Number of years you have been with your present employer (A6)

The data in Table 4.7 shows the length of service with Sedibeng FET College which ranged from less than 1 year to longer than 8 years. The data reveals that a significant portion of respondents 66 (42.9%) had 1-3 years, 49 (31.8%) had 4-7 years’ service, 25 (16.2%) had 8 years or more. A mere 14 (9.1%) of the respondents worked for less than 1 year.

Table 4.7: The frequencies of the years of service with present employer groups in the sample

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>14</td>
<td>9.1</td>
<td>9.1</td>
<td>9.1</td>
</tr>
<tr>
<td>1-3 years</td>
<td>66</td>
<td>42.9</td>
<td>42.9</td>
<td>51.9</td>
</tr>
<tr>
<td>4-7 years</td>
<td>49</td>
<td>31.8</td>
<td>31.8</td>
<td>83.8</td>
</tr>
<tr>
<td>8 or more years</td>
<td>25</td>
<td>16.2</td>
<td>16.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>154</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.4.7 Present post level

Table 4.8 below reveals that a significant portion of respondents 82.5% are lecturers, 13% constituted senior lecturers while 3.9% constituted of head of department. A mere 0.6% of the respondents indicated that he/she was a campus manager.
Table 4.8: The frequencies of the present post level groups in the sample

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecturer</td>
<td>127</td>
<td>82.5</td>
<td>82.5</td>
<td>82.5</td>
</tr>
<tr>
<td>Senior lecturer</td>
<td>20</td>
<td>13.0</td>
<td>13.0</td>
<td>95.5</td>
</tr>
<tr>
<td>Head of Department</td>
<td>6</td>
<td>3.9</td>
<td>3.9</td>
<td>99.4</td>
</tr>
<tr>
<td>Campus manager</td>
<td>1</td>
<td>.6</td>
<td>.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>154</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.5 FACTOR ANALYTIC PROCEDURE FOR SECTION B

There were 10 items that probed the perceptions of the respondents regarding the compensation offered by the College they were employed at. They had to give their extent of agreement or disagreement on a five point interval scale where 1 indicated strongly disagree with the statement while 5 indicated strong agreement. On subjecting the items to a dimension reduction procedure such as Principal Component Analysis (PCA), the Kaiser-Meyer-Olkin (KMO) value of 0.919 and Bartlett’s sphericity of p=0.000 indicated that fewer factors were possible. One factor which explained 65.91% of the variance resulted. It had a Cronbach Alpha reliability coefficient of 0.941 and was named “the extent of agreement with the compensation offered (FB). The items in the factor, their mean scores and standard deviations and factor loadings are given in Table 4.9.

The mean score of 3.01 shows an uncertainty among respondents with respect to agreement or disagreement with the compensation offered. The value is, however, most probably due to more or less equal numbers of respondents who strongly disagree and disagree with an item being balanced by respondents who agree and strongly agree. For example in B1 48.3% of respondents strongly disagreed and disagreed against 51.7% who agreed to strongly agreed. In B2 it was 53.1% disagreement and 48.3% agreement. Respondents thus both agreed and disagreed and hence the standard deviations in the items is relatively large. Figure 4.1 shows the data distribution which is equally distributed around the mean. The median value of 2.95 lies slightly to the left of the mean and indicates that 50% of the respondents scored this value or higher. One can also see from the histogram that the number of respondents who disagreed (2) with the items was large. Item B5 (I am likely to get an increase every year) recorded the highest mean of 3.56 indicating partial agreement with the item. Critics of the public service would say that such an answer was typical of public servants as the only certainty is that your salary will increase every year irrespective of your productivity. The item with the lowest mean was Item B4 (I am rewarded fairly for the amount of effort that I put in my job).
Table 4.9: The items in the factor extent of agreement with the compensation offered

<table>
<thead>
<tr>
<th>Item</th>
<th>Description: To what extent do you agree/disagree with the following:</th>
<th>Mean</th>
<th>SD</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>My salary is commensurate to my work</td>
<td>3.07</td>
<td>1.17</td>
<td>0.77</td>
</tr>
<tr>
<td>B2</td>
<td>I am satisfied with my salary</td>
<td>2.98</td>
<td>1.23</td>
<td>0.88</td>
</tr>
<tr>
<td>B3</td>
<td>My pay is competitive</td>
<td>2.84</td>
<td>1.24</td>
<td>0.86</td>
</tr>
<tr>
<td>B4</td>
<td>I am rewarded fairly for the amount of effort that I put in my job</td>
<td>2.73</td>
<td>1.24</td>
<td>0.77</td>
</tr>
<tr>
<td>B5</td>
<td>I am likely to get an increase every year</td>
<td>3.56</td>
<td>1.26</td>
<td>0.62</td>
</tr>
<tr>
<td>B6</td>
<td>My pay is sufficient for my basic needs</td>
<td>3.05</td>
<td>1.32</td>
<td>0.80</td>
</tr>
<tr>
<td>B7</td>
<td>My pay is equivalent to similar jobs in the College</td>
<td>3.08</td>
<td>1.23</td>
<td>0.86</td>
</tr>
<tr>
<td>B8</td>
<td>I am fully conversant with my compensation</td>
<td>3.11</td>
<td>1.22</td>
<td>0.88</td>
</tr>
<tr>
<td>B9</td>
<td>My compensation package provides the recognition I need</td>
<td>2.84</td>
<td>1.19</td>
<td>0.85</td>
</tr>
<tr>
<td>B10</td>
<td>Overall the rewards I receive at the College are quite fair</td>
<td>2.84</td>
<td>1.29</td>
<td>0.80</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>3.01</td>
<td>1.24</td>
<td>0.81</td>
</tr>
</tbody>
</table>

The score of 2.73 indicates partial disagreement with this item. If the respondents were satisfied with their compensation then one would have expected a mean of at least 4 tending towards 5. Hence one could conclude that feelings about the compensation offered was mixed with about as many being satisfied as were dissatisfied.

The items with the highest factor loading were B2 (0.88) and B8 (0.88) namely “I am satisfied with my salary” and “I am fully conversant with my compensation”. These two items were substantively the most important and explained 77.4% of the variance present (Field, 2009:644).
Figure 4.1: Histogram and boxplot showing the data distribution in the factor the extent of agreement with the compensation offered (FB)

4.5.1 Discussion of some of the items in the compensation offered factor (FB)

Compensation possess significant motivating power in as much as it symbolises intangible goals like security, power, prestige and a feeling of accomplishment and success (Ghazanfar, Chuanmin, Khan & Bashir 2011:123). Respondents also disagreed that they are satisfied with their salary (mean=2.98). Respondents tended to be uncertain regarding their satisfaction with their salary (2.98) and this could reflect a degree of dissatisfaction on the part of the respondents. Studies conducted by Noordin and Jusoff (2009) and Mustapha (2013) reveal that salary/ remuneration has a significant effect on lecturers level of retention which is also aligned with a study by Yang, Miao, Zhu, Sun, Liu and Wu (2008) who stated that salary increase significantly improved the retention for Chinese junior military officers. Shoaib, et al. (2009) state that attractive remuneration packages are one of the important factors that affect talent attraction and retention.

Respondents in this sample further partially disagreed that their pay was competitive (2.84). Horwitz, Heng and Quazi (2003:34) affirm that competitive pay packages are considered as one of the most popular and highly effective retention strategies that any organisation can use. Organisations should deal with uncompetitive, inequitable and unfair pay systems and ensure that salary criteria are fair
and consistent (Armstrong 2006:399; O’Neal & Gebauer 2006:10). In order to counter ‘poaching’ from competitors, organisations should therefore ensure that the salaries of top performers are considerably higher than average performers. This would be very difficult to attain in the public service sector as there is a uniform appraisal process for all employees and the good, the mediocre and the poor performers are all subordinated to the same measuring process. A fair compensation alone does not, however, guarantee employee loyalty (Moorthygari & Kirshna 2009:5). Compensation is the most critical issue when it comes to attracting and retaining talent (Chew 2004:7). Furthermore, respondents in this sample partially disagreed that they were fairly rewarded for the amount of effort that they put in their jobs (2.73). According to Swanepoel, et al. (2014:615), the core objectives of the remuneration system are to attract, retain and motivate employees. While Grobler, et al. (2011:402) postulate that the goals of any organisation in designing reward system should be to attract and retain talented employees. In addition, Greenberg and Baron (2010:111) and Bogardus (2004:90) postulate that reward system include achieving a balance between efficiency and equity (internal and external); aligning individual employees with strategic business objectives while complying with laws.

Moreover, Robbins (2003:125) attests that salary is a key determination of employee satisfaction because it serves as a symbol of achievement and a source of recognition. Respondents also partially disagreed that compensation provides the recognition they need (2.84). Quick and Nelson (2009:155) highlighted that modern management practices like employee recognition programs increased motivation amongst employees. Finally, respondents partially disagreed that the overall rewards offered by the College are quite fair (2.84). The overall results reveals that employees are not satisfied with their present level of compensation as provided by the employer. Greenberg and Baron (2008:233) indicated that a perceived low salary leads to job dissatisfaction and is a major contributor to employee turnover. Even though Herzberg’s two factor theory states that pay does not motivate employees, it is necessary to alleviate employee dissatisfaction. Nel, Van Dyk, Haasbroek, Schultz, Sono and Werner (2004) state that employees will compare themselves with their colleagues in terms of salary and their inputs to their job and if not satisfied they may leave the organisation because of poor satisfaction with their jobs. Saari and Judge (2004:397) concur that compensation / rewards is the most important thing for employees and that the salary is the key factor in deciding either to stay or leave the organisation. However, when discussing public services it should also be borne in mind that taxpayers are the source from which the 2.161 million civil servants in South Africa are paid (Bryer 2015: 16). Bryer (id.) further indicates that our 2.16 million adult civil servants do not create wealth, they spend it. This state of affairs is no doubt similar to the argument above put forward by
Greenberg and Baron (2010:111) and Bogardus (2004:90) about efficiency and equity. Bryer (id.) further comments that our individual taxpayers are getting older and paying less tax as they retire from paying jobs. We have a small number of earning taxpayers (5 million) and they are hugely outnumbered by welfare recipients (16 million). It is thus also important that public servants remembers that “the private sector is the goose that lays the golden eggs. Too many regulations, too many taxes, and too many welfare payments risk killing the goose and halting the flow of golden eggs” (Bryer, id.).

4.6 FACTOR ANALYTIC PROCEDURE FOR SECTION C

The nine items in Section C asked respondents about the importance of certain benefits which were often provided by employers. Respondents who believed that a particular benefit was not at all important could mark one (1) while those who believed that it was very important could mark 5. On subjecting the nine items to a PCA with varimax rotation three first-order factors resulted which explained 72.36% of the variance present. A second-order PCA with varimax rotation indicated a KMO and Bartlett’s sphericity that fell with the parameters needed for further reduction. One second-order factor results which explained 63.01% of the variance present and it had a Cronbach reliability of 0.833. The items present in the factor are given in Table 4.10 with mean scores, standard deviations and factor loadings.

Table 4.10: Items in the factor importance of personal benefits to you (FC2.0)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Mean</th>
<th>S.D.</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>How important is medical aid benefits to you?</td>
<td>4.43</td>
<td>.88</td>
<td>0.84</td>
</tr>
<tr>
<td>C2</td>
<td>How important are disability benefits to you?</td>
<td>4.12</td>
<td>1.08</td>
<td>0.77</td>
</tr>
<tr>
<td>C3</td>
<td>How important is Insurance to you?</td>
<td>3.94</td>
<td>1.19</td>
<td>0.76</td>
</tr>
<tr>
<td>C4</td>
<td>How important is a car allowance to you?</td>
<td>3.66</td>
<td>1.29</td>
<td>0.70</td>
</tr>
<tr>
<td>C5</td>
<td>How important is Laptop (3G) to you?</td>
<td>3.73</td>
<td>1.29</td>
<td>0.87</td>
</tr>
<tr>
<td>C6</td>
<td>How important is a cell phone allowance to you?</td>
<td>3.54</td>
<td>1.34</td>
<td>0.90</td>
</tr>
<tr>
<td>C7</td>
<td>How important is personal safety and security in the workplace to you?</td>
<td>4.34</td>
<td>.85</td>
<td>0.80</td>
</tr>
<tr>
<td>C8</td>
<td>How important is a Provident/Pension fund to you?</td>
<td>4.55</td>
<td>.78</td>
<td>0.66</td>
</tr>
<tr>
<td>C9</td>
<td>How important is leave (Vacation, sick and study) to you?</td>
<td>4.63</td>
<td>.58</td>
<td>0.83</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>4.10</td>
<td>1.03</td>
<td>0.79</td>
</tr>
</tbody>
</table>
The mean factor score of 4.10 indicates that the respondents had the perception that the personal benefits were important to them. However, the item with the highest mean score (4.63) was C9 (How important is leave (Vacation, sick and study) to you? Respondents thus believe that vacation leave and sick and study leave to be very important and this would possibly mirror the public’s perception of lecturers at FET Colleges as typical civil servants who already have abundant leave? The item with the highest factor loading (0.90) was C6 namely how important is a cell phone allowance to you? A cell phone allowance is not something many employers provide and it is possible that the importance of this is due to a lack of such an allowance on the part of respondents. The standard deviation of 1.03 is relatively large showing disparity of agreement in some of the items. The distribution of data is shown in Figure 4.2

![Histogram and boxplot showing the data distribution in the factor the importance of personal benefits (FC2.0)](image)

**Figure 4.2:** Histogram and boxplot showing the data distribution in the factor the importance of personal benefits (FC2.0)

The mean of 4.10 and median of 4.11 indicates that the distribution of data is negatively skew as one would expect when you ask people about the importance of personal benefits.

### 4.6.1 Discussion of some of the items in the importance of personal benefits factor (FC2.0)

Item C1 dealing with medical aid benefits (4.43) is also regarded as one of the important benefits to employees. Conversely, according to Noe, *et al.* (2003:349), satisfaction with benefits is an important dimension of overall pay satisfaction. A more recent employee attraction and retention
survey by World at Work (2007) found that 95% of the participants rated medical plans as having a moderate to high impact on employee attraction. Similarly, more than 90% of the participants indicated that a paid vacation had a moderate to high impact on employee attraction and retention. Scott, McMullen, Royal and Stark (2010:10) state that: “Employees’ benefits, are considered a basic and important foundational element in attracting or retaining talent as competitors for talent also offer employee benefits”. Moreover, personal safety and security in the workplace (4.34) and disability benefits (4.12) were rated as important. The results indicate that five types of benefits that are significant for their retention with the employer, namely, leave, provident / pension fund, medical aid benefits, personal safety and security in the workplace and disability benefits.

4.7 FACTOR ANALYTIC PROCEDURE FOR SECTION D

Section D contained nine items which asked respondents about the importance of certain aspects that are involved with bringing about a balance between one’s personal- and one’s work-life. The five point interval scale was anchored by 1 meaning not important at all and 5 indicating very important. The PCA procedure indicated a KMO of 0.781 and Bartlett’s sphericity of p<0.0005 indicating that a reduction of items was plausible. Two first-order factors resulted which explained 59.1% of the variance present. A second-order PCA with varimax rotation reduced the two factors to one only. It explained 77.3% of the variance present and had a Cronbach reliability coefficient of 0.834. The items in the factor are provided in Table 4.11.

Table 4.11: Items in the factor importance of a work-life balance (FD2.0)

<table>
<thead>
<tr>
<th>FD2.0 - The importance of a work-life balance</th>
<th>Item Description</th>
<th>Mean</th>
<th>SD</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Work-life balance and telecommuting</td>
<td>3.82</td>
<td>1.20</td>
<td>0.71</td>
</tr>
<tr>
<td>D2</td>
<td>Work-life balance and flexible hours</td>
<td>3.59</td>
<td>1.26</td>
<td>0.69</td>
</tr>
<tr>
<td>D3</td>
<td>Work-life balance and community contribution</td>
<td>3.86</td>
<td>1.06</td>
<td>0.62</td>
</tr>
<tr>
<td>D4</td>
<td>Work-life balance and maternity and paternity leave</td>
<td>4.18</td>
<td>1.13</td>
<td>0.74</td>
</tr>
<tr>
<td>D5</td>
<td>Work-life and study leave/sabbatical leave</td>
<td>4.41</td>
<td>0.80</td>
<td>0.82</td>
</tr>
<tr>
<td>D6</td>
<td>Work-life and financial support</td>
<td>4.09</td>
<td>1.04</td>
<td>0.78</td>
</tr>
<tr>
<td>D7</td>
<td>Work-life and employee assistance programmes</td>
<td>4.15</td>
<td>0.97</td>
<td>0.63</td>
</tr>
<tr>
<td>D8</td>
<td>Work-life and job-sharing</td>
<td>4.03</td>
<td>1.02</td>
<td>0.67</td>
</tr>
<tr>
<td>D9</td>
<td>Work-life and health screenings</td>
<td>4.07</td>
<td>0.99</td>
<td>0.78</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>4.02</td>
<td>1.05</td>
<td>0.72</td>
</tr>
</tbody>
</table>
The mean factor score of 4.02 indicates that the respondents believe that the aspects involved in the factor of work-life balance are important to them. Item D5 (Study leave/sabbatical leave) is seen as the most important as it has the highest effect size (0.82). This again reinforces public perception of the importance that public servants attach to be given leave as they believe that such leave brings perspective to one’s working life. The item on flexible hours had the lowest mean of 3.59 indicating uncertainty or more likely a moderate importance. The data distribution in the factor the importance of a work-life balance (FD2.0) is provided in Figure 4.3.

![Histogram and boxplot showing the data distribution in the factor the importance of a work-life balance (FD2.0)](image)

**Figure 4.3:** Histogram and boxplot showing the data distribution in the factor the importance of a work-life balance (FD2.0)

The mean of 4.00 and median of 4.00 show that the data distribution is slightly negatively skew. Fifty percent and more of the respondents had the perception that a balanced work-life was important.

### 4.7.1 Discussion of some of the items in the importance of work-life benefits factor (FC2.0)

The mean score of item D5 (Study leave/sabbatical leave) with a value of 4.41 indicating it was seen as important, is in line with the study of Khalid (2011:139) that reveals that employees concur that study leave is important in their workplace. Respondents also agreed that maternity and paternity leave was important for their work-life balance (4.18) as well as employee assistance programs being important for their work-life balance (4.16). Akabas and Gates (2002:1) confirm that the total impact of employee assistance programmes intervention can support employee retention. A softer approach and finding the real causes as advocated by Scamardo and Harnden (2007:129) is necessary in the
context of the legislative framework. Finally, respondents indicated that job sharing is also important for their work-life balance (4.03).

4.8 FACTOR ANALYTIC PROCEDURE FOR SECTION E

Section E included 10 items which asked respondents about the extent to which they agree or disagreed with items relating to performance management and recognition. The items were anchored by 1 for strongly disagree and 5 for strongly agree. The correlation matrix had a KMO value of 0.905 and Bartlett’s sphericity of p<0.0005 indicating that a factor analytic procedure was likely to result in fewer factors than the 10 present. From the PCA with varimax rotation one factor which explained 54.5% of the variance resulted. It was named the extent of agreement with performance management and recognition (FE) and it had a Cronbach reliability of 0.901. The items in the factor are displayed in Table 4.12

Table 4.12: Items in the factor extent of agreement with performance management and recognition (FE)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Mean</th>
<th>S.D.</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>I receive performance reviews at the College</td>
<td>3.38</td>
<td>1.40</td>
<td>0.76</td>
</tr>
<tr>
<td>E2</td>
<td>At this College performance reviews encourage professional growth</td>
<td>3.29</td>
<td>1.37</td>
<td>0.78</td>
</tr>
<tr>
<td>E3</td>
<td>I believe that my appraisal is fair assessment of my performance</td>
<td>3.01</td>
<td>1.33</td>
<td>0.81</td>
</tr>
<tr>
<td>E4</td>
<td>Lecturers whose students perform well are rewarded with an appropriate merit</td>
<td>2.72</td>
<td>1.41</td>
<td>0.76</td>
</tr>
<tr>
<td>E5</td>
<td>I feel that my pay is a good reflection of my performance</td>
<td>2.64</td>
<td>1.42</td>
<td>0.78</td>
</tr>
<tr>
<td>E6</td>
<td>I receive a performance bonus every year</td>
<td>2.66</td>
<td>1.52</td>
<td>0.62</td>
</tr>
<tr>
<td>E7</td>
<td>I receive praise from my manager for work well done</td>
<td>2.68</td>
<td>1.34</td>
<td>0.65</td>
</tr>
<tr>
<td>E8</td>
<td>I feel more motivated if I receive the recognition I deserve</td>
<td>3.39</td>
<td>1.40</td>
<td>0.70</td>
</tr>
<tr>
<td>E9</td>
<td>I am supplied with specific information on what behaviours or actions are recognised during performance reviews</td>
<td>2.99</td>
<td>1.34</td>
<td>0.73</td>
</tr>
<tr>
<td>E10</td>
<td>At the College recognition is often accompanied by tangible rewards</td>
<td>2.42</td>
<td>1.43</td>
<td>0.76</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>2.92</td>
<td>1.39</td>
<td>0.74</td>
</tr>
</tbody>
</table>

The mean score of 2.92 indicates a neutrality tending towards partial disagreement with the items in the factor. Item E8 had the highest mean score of 3.39 indicating that respondents partially agreed that “they may feel more motivated if they received the recognition they deserved”. Item E10 (At the College recognition is often accompanied by tangible rewards) had the lowest mean of 2.42
indicating disagreement with this item. This could be the result of tangible rewards not being solely the prerogative of College management in that the state has mandated a performance review system and hence the state or the DHET ultimately decide who receives a monetary reward as recognition for performance. The data distribution is shown in Figure 4.4

![Histogram and boxplot showing the data distribution in the factor the extent of agreement with performance management and recognition (FE)](image)

**Figure 4.4:** Histogram and boxplot showing the data distribution in the factor the extent of agreement with performance management and recognition (FE)

The mean of 2.92 and median of 2.90 show that the data distribution is close to normal. However, one would have expected that something as important as performance management and recognition for good performance would have recorded a much higher mean score. This seems to indicate that performance management is not something which is popular in the sample of respondents. However, it is mandated hence a compulsory exercise. Unfortunately such externally imposed mandates suffer from a lack of college staff commitment and hence there is little to no conviction to buy into externally imposed performance management programmes. Hence FET Colleges fail to integrate such mandated programmes into both their strategic and operational structures and procedures.
4.8.1 Discussion of some of the items in the performance management and recognition factor (FE)

Item E1 (I receive performance reviews at the College) had a mean of 3.38. Respondents thus appear to be uncertain which seems strange as performance management is mandated. Hytter (2007:71) insists that individuals should be clear about their responsibilities and performance standards expected, and be given feedback on how well they do their work. Without a feedback programme in place, the employer can only guess how employees view their work environment, and hence, runs the risk of ending up with a demorlised workforce. According to Shikongo (2011:73), a proper performance system needs to be in place in order to assess individual or team performance, which rewards them accordingly. This will not only be a fair system to those who work hard, as they are rewarded, but will also encourage poor performers to “pull their weight” and be rewarded.

Item E2 (At this College performance reviews encourage professional growth) had a mean of 3.29 again indicating uncertainty which again is probably the result of respondents who strongly agree and agree being more or less equal in frequency to those who disagree or strongly disagree. According to Armstrong (2009:619), the overall objective of performance management is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Performance management provides the basis for self-development but importantly, it is also about ensuring that the support and guidance people need to develop and improve is readily available while encouraging professional growth among employees.

Item E3 (I believe that my appraisal is fair assessment of my performance) had a mean score of 3.01 which does not bode well for fair assessment procedures on the one side of the coin or for inflated self-evaluations of one’s own performance on the other side of the coin. All performance assessments in FET Colleges are supposed to be based on a self-evaluation or appraisal performed by the employee and an ‘external’ evaluation performed by a committee of some kind. There will thus always be a tension between these two performance ratings as the one is possibly believed to be inflated while the other has been informed to lower the inflated mark as only a certain amount of money is available. Furthermore these performance ratings of the FET Colleges then need to be approved by numerous other committees external to the College. The end-result is often a nightmare of red-tape and participants just go along with the system without showing any real commitment towards improvement.
However, performance appraisal could help organisations to know how well individuals are performing, what skills they have and are using, and what their career plans are. It also provides the opportunity to give individuals feedback on their performance and skills and, particularly in the case of ‘development organisations’, to let individuals know what development opportunities are available to them (Lawler 2008:75). The main characteristics of an appraisal system, according to Greene (2011:50) are:

- Performance goals are driven by business strategy;
- Managers are appraised on how well they do appraisals;
- Employees should be rated are trained, not just notified;
- Ongoing feedback on performance must be provided; and
- Reward actions are closely tied to appraisals, and the system is periodically evaluated.

Item E4 (Lecturers whose students perform well are rewarded with an appropriate merit) recorded a mean of 2.72 indicating partial disagreement. Martocchio (2013:57) is of the opinion that employees should earn permanent merit increases based on their performance. Pay increases therefore, are intended to reward excellent effort by employees and/or may motivate future performance and assure employers of retaining talented employees. Furthermore, merit pay can be used as tool for talent retention. It needs to be remembered that if lecturers are rewarded when their students perform well then the measurement of performance is an indirect one in that one is assuming that it was the lecturer’s input that resulted in this performance. Measuring lecturer performance in this way will thus always be contentious although it is probably the most objective way of doing it provided it is fairly done.

Item E5 (I feel that my pay is a good reflection of my performance) had a mean of 2.64 and respondents thus partially disagreed tending towards disagreeing with it. According to Mujtaba (2008:255), performance management is a way of measuring and making sure that the activities of everyone in the organization are aligned with the overall shared mission, vision, and goals of the company. It is important that rewards are perceived as fair and just in the eyes of the beholder or those receiving it. Fairness in pay and rewards appear to be the key factor in providing an environment that motivates people to believe in their superior’s actions and policies. It is obvious that each manager would like to reward his or her productive employees, however, surveys show that top performers do not always receive top pay for their efforts and performance (Mujtaba 2010:116).
Item E6 (I receive a performance bonus every year) had a mean score of 2.66 indicating more disagreement than agreement with the item. According to Swanepoel, et al (2014:652), performance bonuses is an additional once-off reward for high performance. Performance bonuses may be based on a variety of performance measures like achievement of specific objectives, performance ratings. Armstrong (2012:279) attests that performance bonuses aims to provide a reward that recognises past performance or achievements and encourages individuals or teams to perform well in future. Furthermore, performance bonuses ensure that pay levels are competitive and will attract and retain good quality talent within an organisation. A danger does however exist in that management could set these performance bonus levels so high that only the ‘angels are likely to receive them’ and if the expectancy is that your effort will not result in a reward then little effort is likely to be forthcoming from the employee.

Item E7 (I receive praise from my manager for work well done) had a mean score of 2.66 which indicates partial disagreement with the statement. Armstrong and Murlis (2007) concur that financial rewards are not sufficient to reward employees but recognition programmes should be established since they link with the esteem needs. Nelson (2004:14) noted that praise and recognition are the most efficient intrinsic rewards an employee wants to hear as employees want to feel that they are making a contribution at their workplaces. The Hay Group study (2009) revealed that organisations were recognising the importance of non-financial rewards especially in the light of limited financial resources and are increasing their focus on intangible rewards to improve employee retention.

Item E8 dealt with feeling more motivated if you received the recognition you deserved. The mean of 3.39 indicates only partial agreement. One would certainly have expected a larger agreement on this statement and possibly indicates low morale among respondents in the sample. Appreciation is a structural human need and employees react to gratitude conveyed through recognition of their excellent work as it confirms that their work is valued. Employees are inclined to remain with organisations which recognise and appreciate their capabilities, efforts and performance contributions. A study by Kwenin, et al. (2013) revealed that recognition had a positive relationship with employee retention. Employees desired not only financial rewards but recognition as well. However, it is without a doubt that recognition programmes that gives intrinsic satisfaction needs to be implemented in most organisations such as FET Colleges. The Hay Group survey (2005) points out that it is not unusual for employees to depart when they are not appreciated for their good work. Rewarding employees with other aspects like recognition is especially crucial in the retention of talent. Amstrong and Murlis (2007) financial rewards are not sufficient to reward employees but
recognition programmes should be established since they link with the esteem needs. Recognition is considered one of the best methods of rewarding employees. It shows them that the company appreciates their efforts. It increases their self-esteem which allows them to be more comfortable in the workplace. It also makes them gain the respect of other employees in the company. There are many ways for recognition to take place in the company. It can either be by promotions or by giving positive feedback by managers. Gostick and Elton (2007:129) state that recognition gives employees the extra push they need to do their jobs better and it is one of the most powerful motivational tools. Moreover, praise is another form of recognition and works for everyone; it can be verbal or in written form which can be as simple as sending an E-mail conveying recognition for a task well executed. Chew and Chan (2008:507) concur that employees are more likely to express commitment to an organisation and remain with that organisation when their expertise, efforts and performance are well recognised.

Item E9 (I am supplied with specific information on what behaviours or actions are recognised during performance reviews) had a mean score of 2.99 indicating uncertainty by respondents. It is not possible to be uncertain if one received such direct feedback on what is and what is not recognised and thus the conclusion is that many respondents do not receive such feedback. Fasset (2011:5) states that performance management is a business process, it is about everyday actions and behaviors people used to deliver goals of the organisation to meet customer needs and improve performance and themselves. Furthermore, it creates a shared understanding about what is to be achieved and how it is to be achieved. Individuals and teams needs to have a common understanding of how their roles connect to the business mission and goals of the organisation. According to Swanepoel, et al (2014:423), in order to improve performance among employees it is necessary to provide information on what is expected, how to achieve those expected outcomes. From what has been written above it would thus appear as if the performance reviews in the private sector are far removed from those which occur in the public service such as FET Colleges.

Item E10 (At the College recognition is often accompanied by tangible rewards) had a mean of 2.42 indicating disagreement with the statement. Lawler (2003:41) observes that the greatest amount of motivation is present when people perform tasks that are both extrinsically and intrinsically rewarding, saying “organizations that offer a very attractive mix of rewards will find many individuals want to work for them”. This analysis of items related to performance management and recognition seems to indicate a large discrepancy between that process which takes place in the world of business
and that which occurs in the public sector. There could be many reasons for this but one of the most likely reasons is the need in the public sector to treat all employees in an equitable manner so the ‘sick, lame and lazy’ are exposed to the same treatment as the individual who excels.

**4.9 FACTOR ANALYTIC PROCEDURE FOR SECTION F**

Section F contained 10 items which related to respondents agreement or disagreement with personal development and career opportunities. The one side of the interval scale was anchored by strongly disagree whilst the other end was anchored by strongly agree (5). The dimension reduction procedure followed using SPSS 22.0 (Norusis, 2009: 389-425; Field, 2009: 627-685) showed a KMO of 0.875 and Bartlett’s sphericity of p<0.0005. Thus a factor analytic procedure would be feasible and the resulting PCA with varimax rotation resulted in two factors explaining 65.5% of the variance present. On subjecting the two first-order factors to a second-order procedure only one factor resulted which explained 81.94% of the variance present. It contained 10 items, had a Cronbach reliability of 0.902 and was named the extent of agreement with personal development and career opportunities. The items in the factor are given in Table 4.13

The factor mean of 3.11 indicates a neutrality towards this factor which probably stems from the differing opinions ranging from strongly disagree and disagree on one side and agree and strongly agree on the other side. Item F3 (The Company offers me development opportunities) had the lowest mean score of 2.66 and as such respondents partially disagreed tending to disagree with this item. It would appear as if FET colleges have limited development opportunities such as promotion to higher levels. The item with the highest mean score was Item F5 (I will stay with the College if I was trained for a more senior position) with a value of 3.75 indicating partial agreement tending towards agreement.
Table 4.13: Items in the factor extent of agreement with personal development and career opportunities (FF2.0)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Mean</th>
<th>S.D.</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>Tuition reimbursement/bursaries are available at the College to equip skills</td>
<td>2.75</td>
<td>1.48</td>
<td>0.86</td>
</tr>
<tr>
<td>F2</td>
<td>I have access to relevant training programmes and skills development</td>
<td>2.91</td>
<td>1.33</td>
<td>0.84</td>
</tr>
<tr>
<td>F3</td>
<td>The company offers me development opportunities</td>
<td>2.66</td>
<td>1.36</td>
<td>0.79</td>
</tr>
<tr>
<td>F4</td>
<td>I would like to have a mentor at the College</td>
<td>3.45</td>
<td>1.46</td>
<td>0.49</td>
</tr>
<tr>
<td>F5</td>
<td>I will stay with the College if I was trained for a more senior position</td>
<td>3.75</td>
<td>1.33</td>
<td>0.58</td>
</tr>
<tr>
<td>F6</td>
<td>Attending conferences/workshops in my field of specialisation is encouraged</td>
<td>3.27</td>
<td>1.36</td>
<td>0.67</td>
</tr>
<tr>
<td>F7</td>
<td>New technology/work methods training is available for College employees</td>
<td>3.07</td>
<td>1.31</td>
<td>0.68</td>
</tr>
<tr>
<td>F8</td>
<td>Job advancement/promotion opportunities are available at the College</td>
<td>3.14</td>
<td>1.29</td>
<td>0.75</td>
</tr>
<tr>
<td>F9</td>
<td>Work integration to provide employees with opportunities for workplace interaction is present at this College</td>
<td>3.14</td>
<td>1.23</td>
<td>0.86</td>
</tr>
<tr>
<td>F10</td>
<td>There are formal and informal mentoring programmes to assist lecturing staff and to improve productivity at the College</td>
<td>2.92</td>
<td>1.35</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>3.11</td>
<td>1.35</td>
<td>0.74</td>
</tr>
</tbody>
</table>

The data distribution of items in this factor are given in Figure 4.5
The mean of 3.11 and median of 3.10 indicates a close to normal distribution of data.

4.9.1 Discussion of some of the items in the personal development and career opportunities factor (FF2.0)

Item F2 (I have access to relevant training programmes and skills development) had a mean of 2.91 showing a tendency towards uncertainty. Well-led organisations show evidence of expanding effort on improving marketability of their key talents via coaching, project and they stretch opportunities, whilst they are incumbent within the organisation, and are likely to hold on to key talents longer than those who do not recognise this opportunity namely a cost-need in talented people (Glen 2007:5). Technological changes lead to changes in how jobs are performed. Once changes in the way jobs are accomplished have occurred, employee skills must be updated through training (Perkins & Shortland 2006:116; Rue & Byars 2009:252-253). In addition, in organisations where employees attain proper training that is necessary to undertake greater responsibilities, turnover rates are generally lower. Furthermore, several scholars have concluded that training activities are correlated with productivity and retention (Moncarz et al. 2009:441).
Item F3 (The Company offers me development opportunities) had a mean of 2.66 and indicates partial disagreement tending to disagreement with the item. Career advancement opportunities is linked to the learning and development part of the talent management. For an organisation to do well in this regard, clear career paths are crucial as well as criteria that will be applied for making lateral and diagonal moves, including promotions (Armstrong & Murlis 2004:18). According to Longo (2014:55), this can practically be seen as an element in support of succession planning. Opportunities for growth and career advancement are favoured internally also in order to nurture talent and being able to fill senior, key positions from within the firm. Bernardin and Russell (2013:325) indicate that organisations need to provide the following to promote career advancement:

- Tools and opportunities to enhance skills for the employees;
- Create an environment for continual learning by supporting and rewarding employee development and learning;
- Provide opportunities for self-assessment;
- Provide additional training;
- Provide coaches and mentors to assist employees; and
- Assist employees to strike balance between their work and non-work lives.

Item F4 asked whether employees would like to have a mentor at their College. The mean of 3.45 shows partial agreement with the item. Swanepoel, et al (2014:500) state that mentoring is a popular way of helping employees to develop and manage their careers. According to Schreuder and Coetzee (2006:325-326), mentors can advise on development and on the way to manage a career plan; they can challenge assumptions and where relevant they can share their own experience. Furthermore, mentoring has proved to be very effective in transferring tacit knowledge within an organisation, highlighting how effective people think, understanding and trust.

Item F8 (Job advancement/promotion opportunities are available at the College) had a mean of 3.14 and indicates uncertainty regarding this important aspect. Promotion opportunities are probably scarce and hard to come by in the FET sector. This was in line with the study of Mtazu (2009:102) which reveals that employees felt that better career and promotion opportunities were the most important factors that would influence them to stay with the employer, followed by sufficient recognition and rewards for performance and open communication channels.
Item F9 (Work integration to provide employees with opportunities for workplace interaction is present at this College) had a mean score of 3.14 again indicating uncertainty as to whether this occurred at their colleges. According to Swanepoel, et al (2014:230), work integration or job rotation is a practice from job to job without disturbing workflow. Job holders are exposed to a greater variety of job content which should lead to a reduction in boredom, fatigue and errors thus improving job satisfaction, productivity and retention.

4.10 FACTOR ANALYTIC PROCEDURE FOR SECTION G

Section G of the questionnaire asked respondents to respond to statements about aspects of employee retention practices. There were nine questions posed on an equal interval scale where 1 indicated strong disagreement and 5 strong agreement. The KMO value of 0.848 and Bartlett’s sphericity of p<0.0005 indicated that a reduction to fewer factors was feasible. One factor resulted which explained 61.74% of the variance present and which had a Cronbach reliability coefficient of 0.922. It was named extent of agreement with aspects of employee retention (FG). The items in the factor are presented in Table 4.14.

The mean score of 2.90 for aspects of employee retention indicates uncertainty. This is again the result of a disparity of opinion among respondents because some agree and strongly agree while others disagree and strongly disagree. The standard deviation of 1.31 is relatively large which again indicates a wide dispersion of opinion. Item G7 (I have a healthy relationship with my immediate supervisor) had the highest mean of 3.46 indicating partial agreement. The lowest mean score was Item G2 (My medical aid benefits are adequate) which at 2.40 shows disagreement with the item. Respondents obviously have the opinion that they need more medical aid benefits than presently is the case.
Table 4.1: Items in the factor the extent of agreement with aspects of employee retention (FG)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Mean</th>
<th>SD</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>G1</td>
<td>My basic salary is adequate?</td>
<td>2.55</td>
<td>1.30</td>
<td>0.81</td>
</tr>
<tr>
<td>G2</td>
<td>My medical aid benefits are adequate?</td>
<td>2.40</td>
<td>1.40</td>
<td>0.80</td>
</tr>
<tr>
<td>G3</td>
<td>My pension benefits are adequate?</td>
<td>2.49</td>
<td>1.39</td>
<td>0.79</td>
</tr>
<tr>
<td>G4</td>
<td>I am satisfied with the career development I get from the College?</td>
<td>2.85</td>
<td>1.36</td>
<td>0.79</td>
</tr>
<tr>
<td>G5</td>
<td>My job responsibilities are satisfactory?</td>
<td>3.24</td>
<td>1.24</td>
<td>0.77</td>
</tr>
<tr>
<td>G6</td>
<td>I am satisfied with my workload?</td>
<td>3.13</td>
<td>1.22</td>
<td>0.81</td>
</tr>
<tr>
<td>G7</td>
<td>I have a healthy relationship with my immediate supervisor?</td>
<td>3.46</td>
<td>1.27</td>
<td>0.70</td>
</tr>
<tr>
<td>G8</td>
<td>I have training and development opportunities?</td>
<td>3.11</td>
<td>1.31</td>
<td>0.84</td>
</tr>
<tr>
<td>G9</td>
<td>There is flexibility in my working environment for those who are furthering their studies?</td>
<td>2.89</td>
<td>1.29</td>
<td>0.76</td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>2.90</td>
<td>1.31</td>
<td>0.78</td>
</tr>
</tbody>
</table>

The data distribution of items in this factor are given in Figure 4.6

![Histogram and boxplot](Image)

Figure 4.6: Histogram and boxplot showing the data distribution in the factor the extent of agreement with aspects of employee retention (FG)
The median value of 2.78 indicates that 50% of the respondents achieved this score or lower. Aspects of retention of employees are obviously important and it appears as if the respondents from the FET campuses concerned do not believe that aspects of employee retention are receiving adequate attention.

4.10.1 Discussion of some of the items in the extent of agreement with aspects of employee retention factor (FG)

Item G1 (My basic salary is adequate) had a mean of 2.55 indicating partial disagreement tending towards disagreement. There are probably not many public servants who have the perception that their basic salary is adequate as their needs have probably extended beyond mere survival needs and now include status needs such as houses. Cars and cell phones. Mustapha (2013:246) indicates that remuneration systems play a significant role in determining an employee's level of job satisfaction and retention. This factor also involves the degree to which individuals consider whether the salary they receive for their work, is comparable to the earnings received by other members of the organisation. Qasim, Cheema and Syed (2012:34) concur that monetary rewards play a major role in determining job satisfaction. Pay is one of the fundamental components of job satisfaction since it has a powerful effect in determining job satisfaction. The growing needs of people with high living costs force workers to seek higher incomes that can guarantee their future and satisfy their needs. Moreover, if individuals believe they are not well paid they become emotionally distressed leading to loss of worker productivity.

Item G2 asked whether respondents felt that their medical aid benefits were adequate? The mean of 2.40 indicates disagreement and correlates with Item C which asked them how important medical aid was to them (4.43). As the same respondents answered both items one could compare them for significant differences. The results of the non-parametric Wilcoxon test was: 

\[ \bar{X}_{G2} = 2.40; \bar{X}_{C1} = 4.43; p = 0.000; r = 0.75 \]. One would have expected a significant difference between importance (ideal) and reality (actual) and the p<0.0005 clearly shows this. Also the effect size is large indicating the importance of this perception. Swanepoel, Erasmus, Van Wyk and Schenk (2000:528) recommend that in order for the organisation to encourage valuable staff members to remain, its remuneration systems should provide sufficient rewards for these employees to feel satisfied when they compare their rewards with those received by other individuals who perform similar jobs in other organisations. Furthermore, Noe, et al. (2003:439) note that when it comes to
retention, employees that are recruited from another organisation are often attracted with promises of a higher pay level. Michaels, et al. (2001:32) also recommend that when it comes to attraction and retention of staff, a company should not be constrained by old compensation rules. They argue that rules can be broken or rewritten to bring in the right outsiders, retain high performers and invest enough in talented staff for growth. Michaels et al. (2001:88) argue that after the effort of finding and selecting a competent candidate, the person should not have to leave because of the expectation of more money.

Item G4 (I am satisfied with the career development I get from the College) had a mean of 2.85 and this is much lower than expected. Respondents tend to partially disagree with this statement which does not auger well for FET colleges in general. Long, Perumal and Ajagbe (2012:633) state that career development in an organisation should be viewed as a dynamic process that attempts to meet the needs of the managers, subordinates and the organisation. It is the responsibility of the managers to encourage employees to take responsibility for their own careers, offering continuous assistance in the form of feedback or individual performance and making available information from the company about the organisation and possible career opportunities. Furthermore, it cannot be denied that in the career development process, the organisation must supply adequate information about its mission, policies and support for self-assessment and training. Career development opportunity serves as a talent retention strategy (Jepngetich & Njue 2013:6).

Item G5 (My job responsibilities are satisfactory?) received a factor mean of 3.24 indicating partial agreement regarding satisfaction with job responsibilities. The concept of work itself is referred to by Robbins, Odendaal and Roodt (2003:77) as “the extent to which the job provides the individual with stimulating tasks, opportunities for learning, personal growth, and the chance to be responsible and accountable for results.” For Luthans (2008:142) the nature of the particular work that an individual performs is among other factors that affect retention. This factor includes the extent to which a specific job is interesting and challenging to an individual, the degree to which the job provides the opportunity for an individual to keep abreast of new things. Armstrong (2009:341) concurs that work itself can create job satisfaction leading to intrinsic motivation and increased engagement. The factors involved are interesting and challenging work, responsibility (feeling that the work is important and having control over one’s own resources), autonomy (freedom to act), scope to use and develop skills and abilities, the availability of the resources required to carry out the work, and opportunities for advancement.
G7 (I have a healthy relationship with my immediate supervisor) had a mean of 3.46 indicating partial agreement tending towards agreement. Shoaib, et al. (2009:4) state that one of the significant factors that have an impact on employee retention / job satisfaction is the relationship between an employee and supervisor. Supervisors are the ‘human face’ of an organisation. Supervision can be seen as the ability to provide technical assistance and emotional and behavioural support to subordinates with their work related tasks (Certo 2010:3). Aydogdu and Asikgil (2011:44) concur that the behaviour of the supervisor play a significant role with regards to employee’s reactions to a problematic event. Employees who perceived their supervisor as more approachable and responsive are more likely to voice their concerns and that increases the level of job satisfaction. Hussami’s (2008) study reveals that employees want supervisors who form a bond with them and who trust them, understand them and show fairness. If the supervisor is abusive towards workers then employees have little choice other than to be dissatisfied with their jobs. Williams (2004:445) alluded that supervisors play such a significant role in jobs that it would not be wrong to say that employees ‘leave their bosses not their jobs’. Greenberg and Baron (2003:155) attest that managers / supervisors are one of the main factors which affect job satisfaction.

Supervisors interested in an employees work while assisting them with solutions to their work related and personal life problems are likely to increase employee’s levels of job satisfaction. According to Josias (2005:56) and Luthans (2005:213), there are three dimensions of supervisory style that affect job satisfaction. The main one is employee centeredness, which is measured by the degree to which a supervisor takes a personal interest and cares about the employee. It is commonly manifested in ways such as checking to see how well the employee is doing, providing advice and assistance to the individual and communicating with the employee on a personal as well as on an official level. The second dimension is participation or influence, demonstrated by managers who allow their employees to participate in decisions that affect their own jobs. The third dimension is the employee’s perception of whether they matter to their supervisor and their organization. In most cases this approach leads to higher job satisfaction.

The mean score of item G8 (I have training and development opportunities) of 3.11 shows an uncertainty regarding the presence of training and development opportunities. Ng’ethe, et al. (2012:209) state that training and development is considered to be a form of human capital investment whether that investment is made by the individual or by the firm. Training provides employees with specific skills or helps to correct deficiencies in their performances while development is an effort to provide employees with abilities the organisation will need in the future (Chew 2004). The purpose of training in the work context is to develop the abilities of the individual and to satisfy the current
and future manpower needs of the organisation (Ng’ethe et al. 2012:205). Nkomo (2013:227) affirms that organisations would thus be able to retain skills developed through training and development of workers. Long, et al. (2012:632) concur that training and development not only ensures competencies but also develops employees to be able to meet organisation’s goals and objectives while ensuring satisfactory performance. It helps employees to acquire new skills and knowledge and perform jobs in other areas or at high level. The results of the study are also in line with the study of Jepngeitich and Njue (2013:6) which reveals that training and development will also act as a strategy for talent attraction and retention.

Item G9 (There is flexibility in my working environment for those who are furthering their studies) had a mean of 2.89 indicating partial disagreement with flexibility requirements. Most FET Colleges have fixed timetables and fixed lecture times and hence flexible hours could be difficult to attain. Aydogdu and Asikgil (2011:44) state that providing good physical working conditions (e.g. cleanliness of the working place, lighting, adequate tools and equipment) enables employees to carry out their jobs easily, comfortably and efficiently. In addition, working conditions such as flexible time, job sharing and shorter workweeks are valued by employees because they can facilitate valued off the job activities such as pursuing hobbies or furthering their studies. World at Work (2007:1) state that work-life programmes are intended and introduced as policies enabling employers to reach a better work-life balance. Noticeably, World at Work mentions work-life practices as a means to enable individuals to be successful both at work and home. Rumpel and Medcof (2006:29) illustrates that the balance for the time spent at work/home is included in the work environment. For instance, flexible working hours is one of the most important aspect for a balanced life.

4.11 FACTOR ANALYTIC PROCEDURE FOR SECTION H

Section H contained three items which asked respondents to respond to statements as to what had attracted them to the college in the first instance. The respondents were requested to mark 1 if they strongly disagreed and 5 if they strongly agreed or other categories in between these two anchor points that were equidistant from one another. The PCA with varimax rotation was performed after confirming the KMO (0.662) and Bartlett’s sphericity (p<0.0005) values were in order. On factor resulted which explained 68.27 % of the variance present. It had a Cronbach reliability of 0.76 and was named extent of agreement with aspects attracting you to the college in the first instance (FH). The items are displayed in Table 4.1. The mean of 3.47 indicates uncertainty among respondents. The item with the highest mean score was H1 (I have always wanted to work at an FET College) with
a mean of 3.77 which shows partial agreement tending towards agreement. The attractive rewards had the lowest mean of 3.07 and shows uncertainty.

Table 4.15: Items in the factor extent of agreement with aspects attracting you to the college in the first instance (FH)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Mean</th>
<th>S.D.</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>I have always wanted to work at an FET College?</td>
<td>3.77</td>
<td>1.07</td>
<td>0.83</td>
</tr>
<tr>
<td>H2</td>
<td>Attractive rewards?</td>
<td>3.07</td>
<td>1.24</td>
<td>0.77</td>
</tr>
<tr>
<td>H3</td>
<td>Good reputation of the College?</td>
<td>3.57</td>
<td>1.01</td>
<td>0.88</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td>3.47</td>
<td>1.11</td>
<td>0.83</td>
</tr>
</tbody>
</table>

Respondents thus seem to believe that the rewards were not that attractive. The good reputation of a College had the highest effect size of 0.88 and among the three aspects is seen as the most important by the respondents as it explains that greatest amount of variance of the items namely (77.4%).

The data distribution of the items is shown in Figure 4.7.

![Histogram and boxplot showing the data distribution in the factor the extent of agreement with aspects of attraction to the college (FH)](image)

The mean of 3.47 and median of 3.83 indicate that the distribution of data is slightly negatively skew.
4.11.1 Discussion of some items in the factor extent of agreement with aspects of attraction to the college (FH)

Item H1 (I have always wanted to work at an FET College) had a mean score of 3.77 indicating agreement with the statement. The best teachers and lecturers are often those who have made it their life ambition to follow a career in developing people. They are often highly committed individuals who need little motivation as they enjoy what they are doing.

Item H2 asked whether attractive rewards had attracted them to join the College in the first place. A mean of 3.07 is a neutral response and this is probably again the result of the two sets of respondents namely one who disagree and the other who agree with the item. Nevertheless, Shoab, et al. (2009:) affirm that attractive remuneration packages are one of the important factors of retention because it fulfils the financial and material needs of people. Compensation is said to be the key factor to attract and retain the best workers, especially during economic or market place vitality or mergers or acquisitions when people are uncertain about their jobs (Noe et al. 2003:494). Moncarz, et al. (2009: 441) state that a major and perhaps the most notable among organisational retention initiatives are compensation practices and employee benefits. Studies have found that highly competitive wage systems promotes employee commitment, which results in the attraction and retention of a superior workforce (Moncarz et al. 2009:441).

The FET Colleges went through mergers in 2002 when the 152 technical colleges merged into 52 FET Colleges and this no doubt resulted in stress, frustration and uncertainty among staff. Many lecturers were anxious that their services may be terminated or whether they would be seconded or redeployed to another institution (Mestry, Grobler & Bosch 2013: 146). It is during times such as these that persons who joined a College because of their love for teaching are likely to retain their posts as they were committed and motivated in the first instance. Item H3 (Good reputation of the College) achieved a mean score of 3.57 indicating partial agreement. Doane (2009:4) utters that a good reputation is the finest recruitment instrument for attracting superiority prospects to an organization. A company which is well-known for positive reasons tend to attract good prospective candidates. Prospective applicants are inclined to search for job opportunities with that company simply because it is well-known for its good reputation as well as products or services offered by the company. Being in possession of a high-quality reputation can potentially allow reduced recruitment spending and increased retention (Berthon, Ewing & Hah 2005:154). A great deal of time and effort are some of the various elements required to build a quality reputation and earning the reputation of
being the “Best Employer or the Employer of Choice” not only adds reputation to an organisation but also attracts prospective employees.

According to Armstrong (2006:395) the overall strategy of any organisation which strives for quality should be to become an employer of choice. This view is supported by Phillips and Connell (2003), Kerr-Phillips and Thomas (2009:6) and Lockwood (2006:4) who are all underline the role of employer branding and an organisation’s status as an employer of choice in the attraction and retention of talent. A strong argument exists for an attractive employer brand that will be a striking force for both attracting both external and internal top talent. Lockwood (2006:4) suggests that the employer of choice should be viewed as an outcome of corporate culture rather than ad-hoc programmes. Phillips and Connell (2003) emphasise the dominant role that an organisation’s status as an employer of choice plays in the management of talent and claims that it translates directly into lower rates of turnover. There are divergent views found in literature regarding a definition for the notion of an employer of choice. An employer of choice is defined as a company or organisation that, because of its status and reputation, is always the first choice (or at least on the short list) of high quality candidates (Ahlrichs 2000:37). These companies or organisations outperform their competition in attracting and retaining talented people (Kotze & Roodt 2005:4; Phillips & Connell 2003:2). The notion of employer of choice is part of employer branding, an old principle clothed in new labelling, which enhances attracting and engaging external talent in well-led organisations (Glen 2007:5). Employees want to work for the best employers, hence organisations strive to be the “best company to work for” because that statement translates directly into lower rates of turnover. It is assumed that an employee would rather opt to stay with an employer who is considered to be an employer of choice. The status of an organisation as an employer of choice has been linked to the propensity of employees to stay or leave (Kotze & Roodt, 2005:4).

4.12 FACTOR ANALYTIC PROCEDURE FOR SECTIONS G AND H

As Section G dealt with retention of employees and Section H with attraction of employees or talent it was decided to do a factor analytic procedure on all items in these two sections. This research wanted to investigate the influence of certain leadership and management actions of the attraction and retention of talent and hence such a factor would be useful. The initial procedure of a PCA with varimax rotation had a KMO of 0.831 and Bartlett’s sphericity which was significant (p<0.0005). Three first-order factors resulted which explained 73.31% of the variance. A second-order procedure resulted in a KMO of 0.635 and a significant probability value for Bartlett’s sphericity test.
(p<0.0005). One second-order factor resulted and it explained 69.41% of the variance present and had a Cronbach reliability of 0.912.

As the items have already been displayed previously they are not shown again. The data distribution is provided in Figure 4.8

![Histogram and boxplot showing the data distribution in the factor talent attraction and retention (FGH2.0)]

**Figure 4.8:** Histogram and boxplot showing the data distribution in the factor talent attraction and retention (FGH2.0)

The mean score of 3.06 indicates uncertainty among respondents regarding talent attraction and retention. The median value of 2.96 indicates normal distribution of the data. According to Pallant (2007: 120) correlation is used when one wishes to determine the strength and direction of a relationship between two variables which are usually continuous as were the factors found in this research. A logical question to ask would thus be what is the strength of the relationship between the talent attraction and retention of an FET college and some of the other factors such as performance management and recognition of performance?

### 4.13 INVESTIGATING POSSIBLE CORRELATIONS BETWEEN THE FACTORS

Bivariate correlations were obtained after checking the data for possible outliers. Outliers were present but scatterplots indicated that there were few and removing them would probably not make that much of a difference but the data would be lost. The factor relating to talent attraction and retention of employees (FGH2.0) served as dependent variable and the other dependent variables
served as predictors or independent variables. The SPSS programme produced the results as shown in Table 4.16.

Table 4.16: Pearson correlation coefficients between talent retention and attraction (FGH 2.0) and the other factors

<table>
<thead>
<tr>
<th>Talent attraction and retention (FGH2.0)</th>
<th>Talent attraction and retention (FGH2.0)</th>
<th>Coefficient of determination (R²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FB. Extent of agreement with compensation offered.</td>
<td>Pearson Correlation 0.652</td>
<td>0.4251</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) 0.000**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N 154</td>
<td></td>
</tr>
<tr>
<td>FC2.0 Importance of benefits offered</td>
<td>Pearson Correlation 0.108</td>
<td>0.0117</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) 0.184</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N 154</td>
<td></td>
</tr>
<tr>
<td>FD2.0 Importance of a work-life balance</td>
<td>Pearson Correlation 0.211</td>
<td>0.0445</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) 0.009**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N 154</td>
<td></td>
</tr>
<tr>
<td>FE - Extent of agreement with performance management and recognition</td>
<td>Pearson Correlation 0.741</td>
<td>0.5491</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) 0.000**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N 154</td>
<td></td>
</tr>
<tr>
<td>FF2.0 - Extent of agreement with personal development and career opportunities</td>
<td>Pearson Correlation 0.652</td>
<td>0.4251</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) 0.000**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N 154</td>
<td></td>
</tr>
</tbody>
</table>

** = Statistically significant at the 1% level (p<0.01)

Pearson correlation (r) – 0.10 – 0.29 small; 0.30 – 0.49 medium; 0.50 to 1.0 large

The data in Table 4.16 indicate significant correlations between talent attraction and retention (FGH2.0) and

- The extent of agreement with performance management and recognition (FE) where \( r = 0.741 \) and the coefficient of determination explains 54.91% of the variance present.
- The extent of agreement with performance management and recognition (FF2.0) where \( r = 0.652 \) and \( R^2 \) explains 42.51% of the variance present.
The extent of agreement with compensation offered (FB) where \( r = 0.652 \) and \( R^2 \) explains 42.51% of the variance present.

The importance of a work-life balance (FD2.0) where \( r = 0.211 \) and \( R^2 \) explains 4.41% of the variance present.

The value obtained for the correlation between talent attraction and retention (FGH2.0) and extent of agreement with performance management and recognition was rather high and possibly indicates the presence of a confounding variable which inflates the correlation coefficient. Hence partial correlation was performed where SPSS 22.0 controlled for the effect of rewards offered. The results of this partial correlation procedure is shown in Table 4.1.

From the data in Table 4.17 one can see the relationship between talent attraction and retention (FGH2.0) and performance management and recognition (FE) is not only due to the influence of FE but that other variables such as the rewards offered (FB) also influences the relationship. The \( r \) value thus decreases from 0.741 to 0.587 and although the effect size is still large there is a substantial decrease. This is probably also true for the other variables. Hence the relationship between the dependent variable talent attraction and retention (FGH2.0) and the other factors in the questionnaire would best be investigated using multiple regression analysis.
Table 4.17: SPSS output for the semi-partial correlation between FGH2.0 and FE while removing FB

<table>
<thead>
<tr>
<th>Control Variables</th>
<th>Talent attraction and retention (FGH2.0)</th>
<th>Coefficient of determination $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Correlation 1.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Significance (2-tailed) .</td>
<td></td>
</tr>
<tr>
<td></td>
<td>df 0</td>
<td></td>
</tr>
<tr>
<td>Talent attraction and retention (FGH2.0)</td>
<td>Correlation .741</td>
<td>0.5491</td>
</tr>
<tr>
<td></td>
<td>Significance (2-tailed) .000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>df 152</td>
<td></td>
</tr>
<tr>
<td>FB. Extent of agreement with compensation offered.</td>
<td>Correlation .652</td>
<td>0.4251</td>
</tr>
<tr>
<td></td>
<td>Significance (2-tailed) .000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>df 152</td>
<td></td>
</tr>
<tr>
<td>FB. Extent of agreement with compensation offered.</td>
<td>Correlation 1.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Significance (2-tailed) .</td>
<td></td>
</tr>
<tr>
<td></td>
<td>df 0</td>
<td></td>
</tr>
</tbody>
</table>

a. Cells contain zero-order (Pearson) correlations.

** = Statistically significant at the 1% level (p<0.01)

Pearson correlation (r) – 0.10 – 0.29 small; 0.30 – 0.49 medium; 0.50 to 1.0 large
4.14 MULTIPLE REGRESSION

Sections A to H have been analysed using factor analytic procedures and the data distributions of the various factors involved were displayed. These factors were all interval variables and this research wishes to determine the influence of aspects such as employee rewards, importance of personal benefits, and importance of work-life balance, performance management and recognition on talent attraction on employee retention. Thus attraction and retention of talent will serve as the outcome variable (FGH2.0) and the other dependent variables as predictors. In this way one will be able to determine which one of the factors is the best predictor of employee retention. The equation for determining the various values is:

\[ Y_i = (b_0 + b_1X_1 + b_2X_2 + \ldots + b_nX_n) + \varepsilon_i \]

where \( Y_i \) is the outcome variable (Employee retention and attraction), \( b_0 \) is the constant, \( b_1 \) is the coefficient of the first predictor (\( X_1 \)), \( b_2 \) is the coefficient of the second predictor (\( X_2 \)), \( b_n \) is the coefficient of the \( n^{th} \) predictor (\( X_n \)) and \( \varepsilon_i \) is the error (Field 2009: 210). Thus using the dependent factors developed one could write:

\[ FGH(2.0) = b_0 + b_1FB + b_2FC2.0 + b_3FD2.0 + b_4FE + b_5FF2.0 + \varepsilon. \]

Stepwise regression was used where the programme searches for the predictor (from the five available ones) that best predicts the outcome variable. If this predictor significantly improves the ability of the model to predict the outcome, then the predictor is retained in the model and the programme searches for a second predictor (Field 2009: 213). In this way SPSS 22.0 identified five models of which the fifth model was retained for this research. The model statistics are provided in Table 4.17. The R\(^2\) value of model 5 indicates that when FB, FE, FF2.0, FD2.0 and Racial groups (A2) are used as predictors then 68.2% of the variance in the outcome variable (talent attraction and retention) are explained by these predictors. The change in F is also significant and the ANOVA table also indicated that model 5 was a significant fit F namely: \([F (5,147) = 63.18; p=0.000]\). The Durbin-Watson statistic was close to 2.0 and hence the assumption of errors in the regression being independent was also met.

Table 4.18: The model statistics using stepwise regression

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Change Statistics</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>F Change</td>
<td>Sig. F Change</td>
</tr>
<tr>
<td>5</td>
<td>.826(^e)</td>
<td>.682</td>
<td>6.595</td>
<td>.011</td>
</tr>
</tbody>
</table>

\( e. \) Predictors: (Constant), FE - Extent of agreement with performance management and recognition, FB. Extent of agreement with compensation offered. FF2.0 - Extent of agreement with personal development and career opportunities, FD2.0 Importance of a work-life balance, Reduce Racial
groups to two recognition, FB. Extent of agreement with compensation offered, FF2.0 – Extent of agreement with personal development and career opportunities, FD2.0 Importance of a work-life balance, Reduce Racial groups to two.

f. Dependent variable: Talent attraction and retention (FGH2.0).

The model coefficients as generated for Model 5 by SPSS 22.0 using stepwise regression are displayed in Table 4.19.

**Table 4.19: Coefficients of the regression model**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.329</td>
<td>.326</td>
<td>1.007</td>
<td>.316</td>
</tr>
<tr>
<td>FE - Extent of agreement with performance management and recognition</td>
<td>.282</td>
<td>.072</td>
<td>.317</td>
<td>3.897</td>
</tr>
<tr>
<td>FB. Extent of agreement with compensation offered.</td>
<td>.315</td>
<td>.053</td>
<td>.348</td>
<td>5.973</td>
</tr>
<tr>
<td>FF2.0 - Extent of agreement with personal development and career opportunities</td>
<td>.257</td>
<td>.066</td>
<td>.276</td>
<td>3.894</td>
</tr>
<tr>
<td>FD2.0 Importance of a work-life balance</td>
<td>.127</td>
<td>.061</td>
<td>.099</td>
<td>2.075</td>
</tr>
<tr>
<td>Reduce Racial groups to two</td>
<td>-.294</td>
<td>.114</td>
<td>-.122</td>
<td>-2.568</td>
</tr>
<tr>
<td>Dependent Variable: Talent attraction and retention (FGH2.0)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Of greatest importance in Table 4.19 are the Beta (β) values or standardised coefficients as they tell us the number of standard deviations that the outcome (FGH2.0) will change as a result of one standard deviation change the predictor (Field 2009: 239). These Beta values indicate the importance of the predictors in the model. Hence the extent of agreement with the compensation offered (FB = +0.348) was the best predictor of the aspects of talent attraction and retention (provided the other variables are kept constant), followed by extent of agreement with performance management and recognition (FE = +0.317). The third most important predictor of talent attraction and retention was the extent of personal development and career opportunities (FF2.0 = +0.276) and then recoded racial groups (A2 = -0.122). The importance of a work-life balance was the fifth best predictor with a Beta value of FD2.0 =+ 0.099. Four of these predictors namely extent of agreement with compensation offered (FB), extent of agreement with performance management and recognition (FE), extent of agreement personal development and career opportunities (FF2.0) and racial groups recoded to the two categories of respondents namely Black (1) and White (2) were significant predictors at the 1%
level of statistical significance. The importance of a work-life balance was significant at the 5% level of statistical significance. The importance of personal benefits (FC2.0), gender (A2) and present post levels recoded to two categories of management and lecturers were not significant predictors in this model.

The following predictors had positive Beta values:

- FB - Extent of agreement with compensation (rewards) offered
- FE - Extent of agreement with performance management and recognition
- FF2.0 - Extent of agreement personal development and career (promotion) opportunities
- FD2.0 - Extent of agreement with work-life balance

The positive Beta values mean that as each predictor changes by one standard deviation unit the output factor of talent retention and attraction (FGH2.0) also increases by the value of the appropriate Beta value (Field, 2009: 239). However, the racial groups which contained only two categories namely Black (1) and White (2) had a negative Beta value. Hence as one proceeds from 1 (Black) to 2 (White), the value of talent attraction and retention decreases by 0.12 units. Hence the independent variable race (A2) is related to talent attraction and retention (FGH2.0) in a negative way in the sense that the White respondents are less likely to be retained and attracted provided all other predictors remain constant. One can only speculate why this should be so? One of the possible reasons could be the role of the Equity Act of 55 of 1998. According to Oosthuizen and Naidoo (2010) when implementing this Act one needs to see it against the constitutional mandate namely to veto discrimination in the workplace and promote affirmative action (AA) measures which are a more valued input into the job selection process. The Act defines the designated groups, or recipients of employment equity (EE) opportunities, as all Black employees, women and the physically challenged. The term ‘Black’ is applicable in the Act to African people, Coloured people and Indian people and recently also includes South African-born Chinese people. Oosthuizen and Naidoo (id.) used the more sensitive wording of non-previously disadvantaged groups (Whites) and previously disadvantaged groups (Blacks, Coloureds and Indians) in their qualitative research project. One of their findings was that the progress towards achieving EE in South African organisations was not as positive as expected. They also found that both White and Black persons experienced EE and AA as negative indicating that both EE and AA seem to be inconsistently applied in the workplace and not aligned with specific skills and development programmes. The skilled employees had the perception that they were carrying those who lacked the skills to perform the work required of them.

A recommendation of this research could be to also investigate the influence of the Equity Act of 1998 especially in the light of the mandated college mergers which occurred in 2002 as such mergers
provided an ideal opportunity to obtain greater representivity of previously disadvantaged people in the management cadre. This could possibly have led to negative perceptions about talent attraction and retention in the FET colleges especially among the non-previously disadvantaged employees. It is also necessary to determine whether the various independent groups differ statistically significantly from one another on the seven factors found in this research. Firstly the possible association between two independent groups such as male and female respondents will be investigated. As the factors all met the normality assumptions parametric tests will be utilised and the first will be the independent t-test.

4.15 STATISTICALLY SIGNIFICANT DIFFERENCES BETWEEN TWO INDEPENDENT GROUPS

There were three independent groups which had two categories and the first of these was gender (A1). SPSS makes use of Levene’s t-test to determine if significant associations are present and it allows for both equal and unequal variances. Only those factors which showed significant associations will be discussed. In using the independent samples t-test one collects two samples of data from the population and then calculate the sample means. These means (for example male and female) may differ slightly or a lot. If the samples came from the same population (for example from lecturers in the Sedibeng FET College) then one expect the means to be roughly equal. However, the means can differ from one another due to chance effects but this should be an infrequent occurrence. The null hypothesis is when the manipulation of two groups (male and female) from the gender variable has no effect on the participants and hence the means should be very similar (Field, 2009: 325). If the difference between the samples collected is larger than one would expect based on the standard error then one can assume one of two things namely:

- There is no effect and sample means in our population fluctuate a great deal, and one has, by chance, collected two samples that are atypical of the population from which they came (the null hypothesis cannot be rejected).
- The two samples come from different populations but are typical of their parent population. In this case the difference between samples represents a genuine difference between the samples and hence the null hypothesis can be rejected.

Field (2009: 325) further writes that as the observed difference between the sample means becomes larger (difference between male and female mean scores), the more confident one becomes that the null hypothesis should be rejected (and hence the alternative accepted). If the null hypothesis is incorrect, then one gains confidence that the two sample means (male and female) differ because of the different experimental manipulation imposed on each sample or because they (males and females)
genuinely differ from one another on this aspect in nature. Field (2009: 326) lucidly explains that most test statistics can be thought of as the variance explained by the model one is using (the means model) divided by the variance the model cannot explain, namely “effect in means model/error in means model”. The effect is the difference between the mean scores and the error is the error in the difference between means. Hence the equation can be written as:

\[ t = \frac{\text{observed difference between sample means} - \text{expected difference between population means}}{\text{Estimate of the standard error of the difference between two sample means}} \]

The expected difference in means of most populations will be zero and hence the equation essentially becomes the observed difference between means divided by the standard error of the difference. Hence the larger the observed difference is and the smaller the standard error of differences is, the larger is the t-test value. The value obtained for t is then assessed against the value of that which one would expect when you have certain degrees of freedom. However, in this particular case the p-values are read directly from SPSS output as shown in Table 4.19

### 4.15.1 Gender (A1)

**Table 4.20: Significance of differences between the gender groups with respect to the following factors:**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Group</th>
<th>Mean</th>
<th>t-test (p-value)</th>
<th>Effect size (r)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent attraction and retention (FGH2.0)</td>
<td>Male</td>
<td>3.27</td>
<td>0.023*</td>
<td>0.18</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extent of agreement with compensation (rewards) offered (FB)</td>
<td>Male</td>
<td>3.36</td>
<td>0.001**</td>
<td>0.27</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extent of agreement with performance management and recognition (FE)</td>
<td>Male</td>
<td>3.15</td>
<td>0.029*</td>
<td>0.17</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2.78</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* = Statistically significant at the 5% level (p ≥ 0.01 but p≤0.05)

** = Statistically significant at the 1% level (p≤ 0.01)

Effect size [r- 0.1- 0.29= small; r-0.30 – 0.49 = Medium; r-0.50+ = Large]

In each of the three factors involved female respondents have a lower factor mean score than the male respondents and hence they differ statistically significantly from them. Hence the null hypothesis that there is statistically no significant difference between the factor mean scores of male and female
respondent (Ho) cannot be accepted and the alternative is accepted. In all three factors female respondents agree to a statistically significantly smaller extent about the importance of the factors.

4.15.2 Racial groups (A2)

There were no Coloured or Indian respondents and only Black (Group1) and White (2) respondents were represented in the sample. The appropriate data is displayed in Table 4.21

Table 4.21: Significance of differences between the racial groups with respect to the following factors:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Group</th>
<th>Mean</th>
<th>t-test (p-value)</th>
<th>Effect size (r)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent attraction and retention (FGH2.0)</td>
<td>Black</td>
<td>3.13</td>
<td>0.05*</td>
<td>0.16</td>
</tr>
<tr>
<td></td>
<td>White</td>
<td>2.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extent of agreement with work-life balance (FD2.0)</td>
<td>Black</td>
<td>4.06</td>
<td></td>
<td>0.18</td>
</tr>
<tr>
<td></td>
<td>White</td>
<td>3.74</td>
<td>0.04*</td>
<td></td>
</tr>
</tbody>
</table>

* = Statistically significant at the 5% level (p ≥ 0.01 but p≤0.05)

** = Statistically significant at the 1% level (p≤ 0.01)

Effect size [r- 0.1- 0.29= small; r-0.30 – 0.49 = Medium; r-0.50+ = Large

The data in Table 4.21 indicate that respondents from the Black racial group agreed to a statistically significantly greater extent with the two factors concerned than did the White respondents.

4.15.3 Marital status (A3)

Due to the small number of respondents who were either divorced or widowed only two groups namely single (Group1) and married (Group 2) were used in the testing procedure. The appropriate data is given in Table 4.22.
Table 4.2: Significance of differences between the marital status groups with respect to the following factors:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Group</th>
<th>Mean</th>
<th>t-test (p-value)</th>
<th>Effect size (r)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance of benefits offered (FC2.0)</td>
<td>Single</td>
<td>3.97</td>
<td>0.032*</td>
<td>0.19</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>4.22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* = Statistically significant at the 5% level (p ≥ 0.01 but p≤0.05)

** = Statistically significant at the 1% level (p≤ 0.01)

Effect size [r- 0.1- 0.29= small; r-0.30 – 0.49 = Medium; r-0.50+ = Large

The data in Table 4.2 indicate that respondents who are married believe that the benefits offered are important while the single respondents believe this to a statistically significantly smaller extent. Married respondents probably have more dependents for whom they have to provide and hence such benefits are more important to them.

4.15.4 Present post level occupied (A7)

There were too few senior lecturers, HODs and campus managers to have them in separate groups and hence the groups were collapsed to just two namely lecturers and management. There were significant differences only regarding the extent of agreement with personal development and career opportunities (FF2.0) between the two groups. The appropriate results are shown in Table 4.23.

Table 4.23: Significance of differences between the present post level groups regarding the following factors:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Group</th>
<th>Mean</th>
<th>t-test (p-value)</th>
<th>Effect size (r)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The extent of agreement with personal</td>
<td>Lecturer</td>
<td>3.03</td>
<td>0.027*</td>
<td>0.13</td>
</tr>
<tr>
<td>development and career opportunities (FF2.0)</td>
<td>Management</td>
<td>3.49</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* = Statistically significant at the 5% level (p ≥ 0.01 but p≤0.05)

** = Statistically significant at the 1% level (p≤ 0.01)

Effect size [r- 0.1- 0.29= small; r-0.30 – 0.49 = Medium; r-0.50+ = Large

The data shows that management agree statistically significantly more strongly with personal development and career opportunities than do the lectures. This is an expected finding as persons in
management positions in FET colleges have occupied more than just one level and hence have a wider perspective about development and career opportunities than most lecturers.

When investigating more than three groups then one can make use of analysis of variance (ANOVA). However, this research had seven dependent variables or factors and investigating them for group differences with the independent variables is best done using multivariate analysis of variance (MANOVA) as it reduces the risks of a Type 1 error.

4.16 MULTIVARIATE ANALYSIS OF VARIANCE (MANOVA)

4.16.1 Age groups

The age of the respondents were given in four groups. Box’s test for the equality of covariance matrices indicated that the variance-covariance matrices were the same in the four groups and hence the assumption of homogeneity of variances was met namely $p>0.05$ (Field 2009: 608). As only one of the factors showed a statistically significant relationship only this factor will be shown in Table 4.2.

**Table 4.2:** Significance of differences between the four age groups regarding the following factors

<table>
<thead>
<tr>
<th>Factor</th>
<th>Group</th>
<th>Mean</th>
<th>MANOVA (p-value)</th>
<th>ANOVA (p-value)</th>
<th>Post-hoc tests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent of agreement with compensation (rewards) offered (FB)</td>
<td>20-29yrs</td>
<td>3.34</td>
<td>0.000**</td>
<td></td>
<td>1 * * **</td>
</tr>
<tr>
<td></td>
<td>30-39yrs</td>
<td>3.03</td>
<td></td>
<td></td>
<td>2 * -</td>
</tr>
<tr>
<td></td>
<td>40-49yrs</td>
<td>2.88</td>
<td></td>
<td></td>
<td>3 * -</td>
</tr>
<tr>
<td></td>
<td>50-59yrs</td>
<td>2.85</td>
<td></td>
<td></td>
<td>4 ** * -</td>
</tr>
</tbody>
</table>

* = Statistically significant at the 5% level ($p \geq 0.01$ but $p \leq 0.05$)

** = Statistically significant at the 1% level ($p \leq 0.01$)

The MANOVA indicates that when all of the factors are considered together at the multivariate level that there is a significant difference at this level. However, at the univariate level it was only the extent of agreement with the compensation (rewards) offered where respondents differed statistically significantly with the youngest age group agreeing most strongly and the oldest group least strongly. The oldest age group of 50-59 years contain 40.7% of the management respondents within it and as they earn higher salaries this is possibly the reason for this difference in opinion. This inverse relationship between compensation offered and age is shown in Figure 4.9.
Figure 4.9: A line graph showing the mean scores of the four age groups with respect to the extent of agreement with the compensation offered (FB)

No statistically significant differences could be found with respect to the various educational qualification groups even on regrouping them to three groups only.
### Number of years you have been with your present employer (A6)

#### Table 4.25: Significance of differences between the four present employer groups regarding the following factors:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Group</th>
<th>Mean</th>
<th>MANOVA (p-value)</th>
<th>ANOVA (p-value)</th>
<th>Post-hoc tests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent of agreement with talent attraction and retention (FGH2.0)</td>
<td>&lt;1yr</td>
<td>3.61</td>
<td></td>
<td>0.004**</td>
<td>1  2  3  4</td>
</tr>
<tr>
<td></td>
<td>1-3yrs</td>
<td>3.21</td>
<td><strong>0.005</strong></td>
<td><strong>0.005</strong></td>
<td>1  2  3  4</td>
</tr>
<tr>
<td></td>
<td>4-7yrs</td>
<td>2.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8+yrs</td>
<td>2.93</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extent of agreement with compensation (rewards) offered (FB)</td>
<td>&lt;1yr</td>
<td>3.19</td>
<td></td>
<td>0.011**</td>
<td>1  2  3  4</td>
</tr>
<tr>
<td></td>
<td>1-3yrs</td>
<td>3.30</td>
<td><strong>0.005</strong></td>
<td><strong>0.005</strong></td>
<td>1  2  3  4</td>
</tr>
<tr>
<td></td>
<td>4-7yrs</td>
<td>2.68</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8+yrs</td>
<td>2.78</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extent of agreement with personal development and career opportunities (FF2.0)</td>
<td>&lt;1yr</td>
<td>3.82</td>
<td></td>
<td>0.011**</td>
<td>1  2  3  4</td>
</tr>
<tr>
<td></td>
<td>1-3yrs</td>
<td>2.96</td>
<td><strong>0.005</strong></td>
<td><strong>0.005</strong></td>
<td>1  2  3  4</td>
</tr>
<tr>
<td></td>
<td>4-7yrs</td>
<td>2.98</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8+yrs</td>
<td>3.33</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* = Statistically significant at the 5% level (p ≥ 0.01 but p≤0.05)

** = Statistically significant at the 1% level (p≤ 0.01)

The data in Table 4.25 indicates that significant differences were present in three of the factors namely talent attraction and retention (FGH), compensation offered (FB) and personal development and career opportunities (FF2.0). In each of the instances the group with the least employment experience had the highest mean score and they differed statistically significantly from the groups with the lowest score. These differences are also shown graphically for the retention and attraction factor (FGH) in Figure 4.10.
Figure 4.10: A line graph showing the mean scores years with present employer groups with respect to the extent of agreement with the compensation offered (FB)

4.17 REALIABILITY AND VALIDITY

In research studies, it is critical to assess the reliability and validity of the indicators researchers use. The next sections explain how the reliability of the questionnaire were yielded throughout this study.

Table 4.2: Internal reliability statistics

<table>
<thead>
<tr>
<th>Sections</th>
<th>Number of items</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>10</td>
<td>0.941</td>
</tr>
<tr>
<td>Benefits</td>
<td>9</td>
<td>0.833</td>
</tr>
<tr>
<td>Work-Life balance</td>
<td>9</td>
<td>0.834</td>
</tr>
<tr>
<td>Performance management and Recognition</td>
<td>10</td>
<td>0.905</td>
</tr>
<tr>
<td>Personal Development and Career opportunities</td>
<td>10</td>
<td>0.902</td>
</tr>
<tr>
<td>Retention factors</td>
<td>9</td>
<td>0.923</td>
</tr>
</tbody>
</table>
Cronbach’s alpha as the most common measure of internal consistency (reliability) was used in this study, and the researcher needed to establish the reliability of the instrument (questionnaire). The sections originally consisted of 9, 10 questions respectively. The reliabilities for Sections B, C, D, E, F and G yielded satisfactory reliability values ranging from 0.833 to 0.923 as reported in Table 4.26. This is an indication of the reliability of the instrument as values above the 0.7 benchmark were exceeded (Malhotra 2010:285).

### 4.17.1 Validity

Validity is arguably the most important criteria for the quality of a test. To demonstrate the existing relationship among employee rewards, talent attraction and talent retention, several instruments were used to estimate the validity of the questionnaire such as: content, construct, convergent and predictive validities. Content validity was ascertained through the pilot study by developing the research instrument (questionnaire), testing its use on 30 respondents and obtaining initial estimates of reliability. The results of the pilot test reliability analysis are reported in section 4.1 above.

Construct validity was also examined by the computation of the Cronbach’s alpha coefficient for the scale and sub-dimensions of the scale, which were all satisfactory and served as indications of construct validity as depicted on Table 4.15. Additionally, correlation analysis showed that all seven constructs (compensation, benefits, work-life balance, performance management and recognition, personal development and career opportunities, retention factors and talent attraction) were positively correlated and provided evidence of construct validity as depicted on Table 4.15.

### 4.18 CONCLUSION

This chapter presented the results of the statistics as per seven sections of the questionnaire. Descriptive and inferential statistics performed on the entire questionnaire. Correlation analysis was conducted to test formulated hypothesis for the study. Based on the results of the study, it is evident that to attract and retain talent therefore an organization needs to be reputable by providing employees with attractive remuneration packages, provide career growth, opportunity for development, performance based bonuses, work-life balances and create an environment where employees can further their studies. Furthermore, organizations needs to provide learning and development environment as well as recognizing and rewarding those who perform exceptional well. Financial rewards most of the time will not be the solution to retain and attract employees but non-financial
rewards can play a major role in this regard. The next chapter interprets the results and implications of this study and provides some recommendations for the managers of the selected organization.
CHAPTER 5: CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

5.1 INTRODUCTION

The realisation of Further Education and Training College vision and gaining of a competitive advantage entirely depends on the workforce that is employed. In the event that staff members are not satisfied with certain practices, they simply leave for other jobs. This leaves the organisation with the challenge of bearing the costs involved in the recruitment and training of new staff members whose stay at the organization cannot be guaranteed. It thus takes great effort and commitment for the organization to attract and retain talented staff members. As pointed out in the problem statement, there is no clear empirical evidence that suggests what human resources managers in FET colleges are doing to address employee rewards as a talent attraction and retention instrument within their institutions. Further Education and Training Colleges faces a challenge to attract and retain staff. Investigation into factors that affect attraction and retention of staff was necessary in order to suggest possible interventions to eliminate this problem. Furthermore, the previous chapter discussed in depth the analysis of the data collected and the interpretation of results. This chapter provides the conclusions drawn from the major research findings. It also includes the recommendations forthcoming from findings, as well as the limitations and implications for future research.

5.2 SUMMARY OF THE RESEARCH

The main purpose of the study was to unearth the influence of rewards on employee attraction and retention and to suggest strategies that could be employed by FET colleges in Gauteng to achieve the objective of reducing turnover effectively. The study intends to contribute to existing knowledge by suggesting how FET college management can reduce high labour turnover, particularly in the college that is being studied. Moreover, the theoretical and empirical objectives of the study were formulated.

Chapter Two presented an extensive literature on rewards, employee retention and talent attraction in organisations. This chapter also provided an analysis of different types of rewards that drives talent attraction and retention with organisations.

Chapter three presented an in-depth analysis of the research design adopted for this study. The sampling design procedure, the data collection method and data preparation were discussed. The method of data analysis and statistical techniques were also outlined.

Chapter four was about presenting, analysing and interpreting the data collected. The results was presented and they include descriptive statistics and inferential statistics that comprises of correlation
and regression analyses. This chapter also included an analysis of the reliability and the validity of the questionnaire.

Chapter five is a summary of the pertinent findings of the study. Recommendations deriving from the study are also discussed while the limitations and implications for further research are outlined.

5.3 EVALUATION OF OBJECTIVES

The following sections indicate the extent to which the formulated objectives of the study were achieved.

5.3.1 Primary objective

The primary objective of this study was to examine the influence of rewards on talent attraction and retention of employees at a FET College in the Sedibeng district of Gauteng. The literature meaning of the word reward as, “it is something the offered by the organization to the workers in response of their performance and contributions which are expected by the workers” (Irshad & Afridi 2007:314). That amount of pay, benefits, or equivalents employee received in return for the services which employee render to organization. A reward can be intrinsic or extrinsic, it can be in form of cash i.e. bounces etc. or reward can be in form of recognition / certificate as commendation certificate or worker of the month etc. In business environments rewards are offered in several forms e.g. recognition, cash bonuses, awards, free trips and free merchandise etc. However, reward is the thing which offers by the organization in any form in response of employee’s contribution, to become employees motivated for doing well with positive behaviour in future. Reward is very important because it has enduring impression on employees and support the perception of employees that they are valued (Silbert 2005). Irshad and Afridi (2007:312) state that compensation is considered as one of the largest factor for the retention of employees. Compensation plays significant role in attracting and retaining good employees, especially those employees who gives outstanding performance or unique skill which is indispensable to the organization because company invest heavy amount on their training and orientation. The findings of the study by Tererra and Ngirande (2014:486) reveals that employee rewards have an influence on talent attraction and retention. Their study further concludes that employee rewards are very important dimensions when it comes to employee retention. This means that compensation is a major factor that employees consider when making the decision to leave or remain with the organisation. According to Ghazanfar, Chuanmin, Khan and Bashir (2011:121), the employee’s expectations of a compensation plan are that it should be fair and equitable and that it provides them with tangible rewards commensurate with their skills. More importantly, such an intervention should also provide recognition and a livelihood for employees.
5.3.2 Theoretical objectives

In order to achieve the primary objective, the following theoretical objectives were formulated:

5.3.2.1 To Establish what previous studies have been conducted on employee rewards

The literature review on employee rewards revealed diverse definitions of the concept employee rewards as discussed in Chapter 2. World at Work (2007:7) state that these rewards also encompass career opportunities, as well as individual, team and organisational learning and development. Such rewards further enhance intrinsic motivation provided by the nature of work being executed and the quality of working life provided by the particular organisation. The World at Work (2011:5), a global human resources association in United States of America with main focuses on compensation, benefits, work-life and integrated total rewards, postulates that employee rewards is received as an exchange for services between employee and employer. In this regard, attracting suitable candidates, retaining suitable talent, motivating employees and complying with the law are all objectives of compensation systems (Grobler et al. 2006: 351). George and Jones (2005:84) affirm that reward systems comprise of extrinsic and intrinsic rewards. The pay an employee receives for performing tasks and activities as stipulated in the job description is called rewards. Kreitner (2004:439) hypothesizes that rewards are the material and psychological payoffs for executing different tasks at different levels in the workplace. Furthermore, employee rewards are also seen as anything perceived as valuable that is given to an employee as recognition for good contribution made. Smit, et al. (2007:334) assert that employee reward systems are used to strengthen anticipated performance. Okioga (2012:9) concluded that such rewards can be a strong motivator for improved work performance.

5.3.2.2 To compare literature on employee attraction and retention.

The literature review revealed that employee rewards have major influence employee attraction and retention. According to Sathekge (2014:164), talent retention is critical because there are prohibitive costs associated with replacement. Direct costs of talent replacement relates to the costs of recruitment of new talent, such as the costs of recruitment agencies, interviewing and assessing prospective candidates and finding replacement whilst the recruitment process is underway. In today’s business world, retention of valuable employees is one of the most critical issues confronting leaders (Mayfield & Mayfield 2008:41). Owing to competition for scarce skills, the attraction and
retention of quality employees has emerged as the biggest challenge in human capital management (Terera & Ngorande 2014:481). Research by Swanepoel, Erasmus and Schenk (2008) and Armstrong, Brown and Reilly (2010) reveals that competitive wages and benefits have, time and again, been listed as a means of attracting and retaining employees. The attraction and retention of employees continues to be a key priority of human resource professionals (Frank et al. 2004:30; Giancola 2008:12-25) and is now the major concern of many public and private South African institutions. However, attracting and retaining top talent is not an easy task but it is the task which successful organisations have to pursue relentlessly. Wages, therefore, influence the attraction and retention of the workforce. Organisations need to look for alternative methods of retaining key talent to ensure organisational success. Retention is critical for employees as it influences expenses on two levels: directly, through staff turnover expenses (for example recruitment costs, low productivity, training and development and lost opportunity costs) and indirectly, through aspects such as engagement (Corporate Leadership Council 2004:4-13). Allen, et al. (2003) reported that employers have to differentiate themselves from others through their compensation strategy in order to attract and retain quality employees. Therefore, an organisation’s compensation strategy should be able to attract the right quality of employees, retain suitable employees and also maintain feelings of equity among the employees. An organisation can retain the workforce through offering a good compensation package.

5.3.2.3 To analyse the relationship between employee rewards, attraction and retention

Pleasant rewards packages are believed to be significant features of retention as it fulfils monetary and material desires (Shoaib et al. 2009:5). Swanepoel et al. (2008) and Amstrong, et al. (2010) reveal that remuneration impacts on the attraction and retention of employees. Phillips & Gully (2012) assert that competitive wages and benefits have been listed as a means for attracting and retaining employees. Milkovich & Newman (2009) state that among all types of rewards, monetary pay is considered one of the most important and significant factors in retention of employees. Tettey’s (2006:3) study on employee retention in African Universities reveals that dissatisfaction with salaries is the key driver for the lack of organisational commitment which propels academic employee to leave. Moncarz, et al. (2009: 441) state that the most notable and dominant organisational retention initiatives are compensation and benefits. In addition, research by Moncarz, et al (2009) reveals that that highly competitive wage systems stimulate employee commitment, which improves the attraction and retention of talented employee. Beulen (2009:277) revealed that remuneration and career opportunities are the main reasons why employees leave or stay organisations. Noe, et al. (2003:439) note that when it comes to retention, employees who are recruited from another organisation are often
attracted with promises of higher salaries. Fox (2012:21) affirms that highly competitive rewards package promotes talent attraction and retention. Anis, Rehman, Nasir and Safwan (2011:2684) concur that the more satisfied the talent they longer they would stay with the organization. A study by Sathekge (2014:133) revealed that talent planning to remain in their organisations longer if the compensation package is successfully and effectively used.

5.3.3 Empirical objectives

The empirical objectives of this study was achieved by testing the hypotheses below, which were set to measure relationships among the dependent and independent variables.

5.3.3.1 Hypothesis 1

Hypothesis (H1) proposed that there is a statistically significant difference between rewards and talent attraction at the Sedibeng FET College.

The study revealed that employee rewards have a significant positive correlation with talent attraction (compensation $r=.652$; benefits $r=.025$; worklife $r=.211$; recognition $r=.741$ and personal development $r=.652$). These results shows that the correlation is significant up the 0.01 level. Therefore hypothesis is accepted and null hypothesis is rejected. This means that employee rewards have a positive relationship to talent attraction. These results correlates with the results of Shoaib, et al (2009:12) which revealed that there is a positive relationship between employee rewards and employee attraction.

5.3.3.2 Hypothesis 2

Hypothesis (H2) proposed that there is a statistically significant relationship between employee rewards and talent retention at Sedibeng FET College.

The study showed that employee rewards have a significant positive correlation with talent attraction (compensation $r=.652$; benefits $r=.117$; worklife $r=.219$; recognition $r=.587$ and personal development $r=.741$). These results shows that the correlation is significant up the 0.01 level. Therefore hypothesis is accepted and null hypothesis is rejected. This means that employee rewards have a positive relationship to talent attraction. These results correlates with the results of Shoaib, et al (2009:14) which revealed that there is a positive relationship between employee rewards and employee attraction. These results have clearly shown that independent variable (employee rewards) have a direct influence on the dependent variable (employee retention). According to Moeketsi
low salaries, lack of growth and low morale are factors that activate negative environment which results in turnover intentions. Organisations that give the greatest rewards tend to attract the most applicants and can, therefore, recruit the best qualified staff (Swanepoel et al., 2000:528). Furthermore, Moncarz et al. (2009:451) reveal that organisations with appropriate reward systems in place experienced lower turnover of employees. Hence, Swanepoel et al. (2000:528) recommend that in order for the organisation to encourage valuable staff members to remain, its remuneration system should provide sufficient rewards for these employees to feel satisfied when they compare their rewards with those that are received individuals who perform similar jobs in other organisations.

The recommendations forthcoming from the findings of this study are provided in the next section.

5.4 RECOMMENDATIONS

The following serves as the recommendations as per results of the study.

5.4.1 COMPENSATION/PAY/BENEFITS

The study revealed that there was a general feeling of unhappiness with regards to compensation, pay and benefits amongst employees at Sedibeng FET College. There is an expectation from the employees that they will be adequately compensated for their efforts. Certo (2010:299) states that money is important not only as a means to pay the bills, but also a signal of the employee’s value to the organization. Top management of Sedibeng FET College needs to design a remuneration package that to attract and retain the best candidates and satisfies their employee’s expectations, in that it is fair, equitable and free of bias. A remuneration package is one of the most important factors that influence people to take up employment and stay with organisations. In order for Sedibeng FET College to attract and retain talent, it should be prepared to pay salaries that are equivalent or better than others in the labour market. Proper sector research should be conducted regularly to determine what others are offering, and adjust salaries accordingly. There should be a proper performance system in place to be able to assess individual or team performance, which rewards them accordingly. This will not only be a fair system to those who work hard, as they are rewarded, but will also encourage poor performers to pull their weight and be rewarded. Benefits should be linked to what staff members would like to have. People at different ages have different needs, and this should be taken in consideration when deciding what benefits to offer employees. It is better to give them a choice. Departing employees always cite ‘better opportunities’ which means more money, as reasons for joining rival institutions. Bagraim, Cunningham, Pieterse-Landman, Potgieter and Viedge (2011:103) assert that motivation is involved in the process like lucrative positions, and ability of employees to see a link between performances and pay.
5.4.2 OPPORTUNITIES FOR PROMOTION

It is evident from the literature that one of the many contributing factors to the issue of job satisfaction is opportunity for promotion. The perception that there is little scope for promotion does not give employees much hope for future advancement at Sedibeng FET College. Mayhew (2012:1) states that the cycle of promotion, motivation, job satisfaction and performance feedback are critical, as one part of the cycle is dependent on the other. Top management at Sedibeng FET College therefore needs to develop clearly defined criteria for promotion opportunities and career path. This policy needs to display fairness in that it presents an unbiased process in so far as providing equal opportunity to all employees at Sedibeng FET College. The performance management system should be clearly defined and every employee should benefit from it. Many employees will stay with the institution because there is an upward mobility that serves as an incentive for better performance. This does not mean that every employee should be promoted even if he/she is not performing, but promotion should be based on achievement rather that aspiration.

5.4.3 TRAINING AND DEVELOPMENT

Training and development is part of the strategies that are available at the Sedibeng FET College, but the way they are conducted, cannot in any way make an impact on the development of employees. Therefore, training should be made compulsory for every employee and follow-up monitoring conducted to ascertain the impact it has made on the employees. The more individual employees accumulates skills, such employees should be rewarded by means of promotion or monetary incentive, if not possible.

5.4.4 PERFORMANCE AND REWARD

The majority indicated that they have not benefited from the performance management system or have not been rewarded accordingly in terms of bonuses for the work done. Though there are performance bonuses, it is not yet fully implemented, it has negative effects on the performance of those who have not benefited from it, and thus reduce the amount of effort and results in the reduction of performance. The literature study indicated that business writers and academics have tried to draw conclusions from the little empirical research done, linking compensation to actual performance and retention. Reh (2010:1) argues that good salaries enhance high performance at work, and in the end, motivate employees to stay at the institution. Compensation is the crux at which employee retention is based. A reasonably high level of total compensation is needed to attract the best. This is true for senior positions where the spread of performance is so large that it pays to attract a performer.
5.4.5 IMPORTANCE OF WORK-LIFE BALANCE

The majority indicated that satisfying work-life does not provide any challenge. This implies that employees are apparently not enjoying their work life as a result of factors such as amongst others, low morale, and salary. Kamelgor and Meek (2008:76-78) reveals that the most common reasons people stay at the institutions are listed in order of popularity and frequency, and are career growth, learning and development, passion for the work, meaningful work that challenges employees, approachable managers, recognition for the work well done, fair pay and benefits, inspiring leadership, location, stimulating work environment and job security.

5.4.6 PROFESSIONAL CAREER DEVELOPMENT

The majority of respondents revealed that professional development training is either absent or not functional for support staff. Academics usually attend conferences and seminars that help them to hone their skills. This is an opportunity for advancement. The issue here is that there is a need expressed by the support staff for an opportunity to hone their skills and acquire new ones. This is related to growth, and if employees cannot find growth opportunities in the institution, they will seek another employer who will provide such opportunities (Russo 2010:20).

5.5 CONTRIBUTIONS OF THE STUDY

This study advances literature in employee rewards, talent attraction and retention. Employee rewards construct appears in this context as a relevant tool that enhances talent attraction and retention within the organisation. The extension of literature through the total rewards framework and model on which organisations may adopt in order retain the best talent. There is not enough research that has been conducted so far in the FET Sector. There was a limited relevant literature in this regard. There is a necessity for more studies in these sector. Several studies have been conducted in the area of talent attraction and retention. Of note are the studies by Stalcup and Pearson (2001), Salamin (2005), Yousaf (2010), Okioga (2012) and Ng’ethe (2012) and, who focused on employee retention in the education, hospitality, banking and manufacturing sector. Other studies on talent attraction and retention have been conducted in different industries such as telecommunications by Kwenin, et al. (2013) and Fareed, et al. (2013); in healthcare by Akanbi and Itiola (2012); in the service industry by Sarwar and Abugre (2013); in banking by Jehanzeb, Rasheed, Rasheed and Aamir (2012) and in higher education by Mustapha (2013). Holland, Sheehan and De Cieri (2007) and Terera and Ngirande (2014) considered influence of employee rewards on employee retention. These studies are
useful for providing theoretical perspectives within which to situate the present study. While these studies were useful, they do not deal with the influence of employee rewards on talent attraction and retention at FET colleges in the Gauteng Province. The rationale for this study is thus to address this gap. This study not only confirms such claims but further shows that there is a relationship between employee rewards and talent attraction and retention. Furthermore, this study extends knowledge on remuneration drivers that can be employed by the organisation in order to reduce labour turnover; they include compensation, benefits, work-life balance, performance management and recognition and personal development and career opportunities. Finally, the findings in this study also advance the literature in a sense that they help quantify and establish the strength of the predictive relationships among the constructs, namely, employee rewards, talent attraction and talent retention. These results concur that if employees are not happy with their remuneration then the organization will lose their best talent.

The limitations and future research opportunities imminent from the findings of the research are discussed in the next section.

5.6 STUDY LIMITATIONS AND FUTURE RESEARCH

Data was collected in one organisation and collected on the limited number respondents in the FET Sector. Owing to logistical problems and cost-related issues, the study does not include other FET Colleges in South Africa. Results obtained for the study cannot be generalized to all existing FET in South Africa. The final limitation is the reliance on self-reported questionnaire data. Further studies needs to be conducted throughout the province Gauteng or broadened to the whole country on the same sector. Further research is proposed to consider the following areas:

- The influence of employee rewards on talent retention factors at other FET Colleges and Higher Education Institutions in South Africa.
- The influence of employee rewards on job satisfaction and retention
- Training and development on as part of talent retention strategy.
- The significance of employee compensation benefits on retention.
5.7 CONCLUDING REMARKS

The analysis of the study revealed that respondents are not satisfied with rewards they receive from the employer. There is an expectation from the employees that they will be adequately compensated for their efforts. Top management of Sedibeng FET College needs to design a remuneration package that to attract and retain the best candidates and satisfies their expectations are fair, equitable and free of bias. A remuneration package is one of the most important factors that influence people to take up employment and stay with organisations. In order for Sedibeng FET College to attract and retain talent, it should be prepared to pay salaries that are equivalent or better than others in the labour market. The study further revealed that there is an unclear performance management system within the College. Lack of career development opportunities have been noted which can cause many employees to fail to perform, as a result, they feel demotivated and want to leave the institution. Promotion and compensation have also shown to be other factors that need to be overhauled in order to keep employees from leaving the institution. Finally, it should be clear to the employees what constitutes success in the institution. Employees should be valued and recognised for the work they are contributing because recognition is the key for high performance and effective work management.
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Mr MC Mabaso  
17 President Steyn Street  
VANDERBIJLPARK  
Gauteng  
1911

By email: calvinm@vut.ac.za

Dear Mr Mabaso,

REQUEST TO UNDERTAKE RESEARCH IN SEDIBENG FET COLLEGE, HEIDELBERG, SEBOKENG, VANDERBIJLPARK AND VERENEILING CAMPUSES: THE INFLUENCE OF REWARDS ON TALENT ATTRACTION AND RETENTION AT A FURTHER EDUCATION AND TRAINING COLLEGE IN SEDIBENG, GAUTENG

I acknowledge receipt of your request for permission to conduct research in Sedibeng FET College, Heidelberg, Sebokeng, Vanderbijlpark and Vereening campuses on the topic “The influence of rewards on talent attraction and retention at a Further Education and Training College in Sedibeng, Gauteng”.

Your request has been evaluated by the Department and it is my pleasure to inform you that your request for permission to undertake the above research has been approved. You are advised to obtain further permission from the principal of Sedibeng FET College before commencing any research activities.

You are further requested to attach the Ethics Clearance Certificate to correspondence addressed to Sedibeng FET College, Heidelberg, Sebokeng, Vanderbijlpark and Vereening campuses when communicating with the Principal.

The topic of your research is of great interest to the Department. It will therefore be appreciated if you could share the findings of your research with the Department upon completion of your research.

I wish you all the best in your research study.

Yours sincerely,

Mr GF Qonde  
Director-General  
Date: 18/05/2014
ANNEXURE B

LETTER OF CONSENT

Telephone: 016 950 6895
Cell: 071 197 6855
VANDERBIJLPARK 1911

Dear Participant

ASSISTANCE: QUESTIONNAIRE COMPLETION – PLEASE ANSWER ALL THE QUESTIONS

I am a registered student at the Vaal University of Technology in the Department of Human Resources Management. I am currently pursuing the M-Tech Degree in Business Administration and the primary component deals with a research-based investigation which necessitates, inter alia, questionnaire completion and data collection. My topic is entitled: The influence of rewards on talent attraction and retention at a Further Education and Training College in South Africa. My Supervisor is Prof Moloi and Co-Supervisor Dr Joubert. In order to successfully complete my Master’s Degree, the latter part of the dissertation involves the completion of a questionnaire. Kindly answer all the questions and do not leave any questions blank. You have been identified as one of the respondents for this research.

The questionnaire would take about 10-15 minutes to complete and only requires you to tick the relevant precoded response in an objective and honest manner. Please rest assured that your responses will be treated with utmost confidentiality and will not be divulged to any other party. From an ethical perspective, your name need not be mentioned on the questionnaire and thus anonymity is guaranteed. In addition, the responses to the questionnaire, once collated, will be used for statistical purposes only. Your participation in completing this questionnaire is purely voluntary and there is no coercion or undue pressure on the part of the researcher. You are also at liberty to withdraw from participating in this study at any time.

Your co-operation in assisting me with this important component of my study is highly appreciated. If there are any queries, please do not hesitate to contact me at the above telephone numbers or via my e-mail. I take this opportunity of thanking you in advance for your kind gesture in order to enable me to complete this research project. Many thanks and kind regards.

Sincerely

……………………

Calvin Mzwenhlanhla Mabaso
ANNEXURE C: QUESTIONNAIRE

SECTION A

Please answer the questions in Section A by placing a cross over the appropriate number

1. Your gender?
   - Male: 1
   - Female: 2

2. Which racial group do you belong to?
   - Black: 1
   - Coloured: 2
   - Indian: 3
   - White: 4

3. What is your marital status?
   - Single: 1
   - Married: 2
   - Divorced: 3
   - Widowed: 4

4. Which age group do you belong to?
   - 20-29: 1
   - 30-39: 2
   - 40-49: 3
   - 50-59: 4

5. What is your highest educational qualification?
   - Diploma Degree: 1
   - Honours Degree: 2
   - B-Tech: 3
   - Master’s degree: 4
   - Doctorate: 5

6. The number of years you have been with your present employer?
   - < 1 year: 1
   - 1-3 years: 2
   - 4-7 years: 3
   - 8 years or more: 4

7. Which of the following best describe your present post level?
   - Lecturer: 1
   - Senior Lecturer: 2
   - Head of Department: 3
   - Campus Manager: 4

8. Which of the following rewards do you receive? (Place a cross in the block opposite each of the rewards that you receive)
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
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<td>1</td>
</tr>
<tr>
<td>8.2</td>
<td>Bonus</td>
<td>2</td>
</tr>
<tr>
<td>8.3</td>
<td>Incentives (Performance based, share options)</td>
<td>3</td>
</tr>
<tr>
<td>8.4</td>
<td>Commission</td>
<td>4</td>
</tr>
<tr>
<td>8.5</td>
<td>On-the-job-training</td>
<td>5</td>
</tr>
<tr>
<td>8.6</td>
<td>Medical Aid Contribution</td>
<td>6</td>
</tr>
<tr>
<td>8.7</td>
<td>Retirement Contributions</td>
<td>7</td>
</tr>
<tr>
<td>8.8</td>
<td>Annual Leave</td>
<td>8</td>
</tr>
<tr>
<td>8.9</td>
<td>Sick Leave</td>
<td>9</td>
</tr>
<tr>
<td>8.11</td>
<td>Flexible Hours</td>
<td>10</td>
</tr>
<tr>
<td>8.12</td>
<td>Suitable Work Environment</td>
<td>11</td>
</tr>
<tr>
<td>8.13</td>
<td>Coaching Programmes</td>
<td>12</td>
</tr>
<tr>
<td>8.14</td>
<td>Health &amp; Wellness Facilities</td>
<td>13</td>
</tr>
<tr>
<td>8.15</td>
<td>Recognition from Employer</td>
<td>14</td>
</tr>
<tr>
<td>8.16</td>
<td>Performance Awards</td>
<td>15</td>
</tr>
<tr>
<td>8.17</td>
<td>Mentorships</td>
<td>16</td>
</tr>
<tr>
<td>8.18</td>
<td>Study Bursaries</td>
<td>17</td>
</tr>
<tr>
<td>8.19</td>
<td>Other – Please state</td>
<td>18</td>
</tr>
</tbody>
</table>
SECTION B - COMPENSATION OFFERED

Please place a cross over the number in the appropriate column to indicate your response which must be given on a 5-point interval scale. The following response scale should be used for all items.

1= Strongly Disagree; 2= Disagree; 3= Uncertain; 4= Agree; 5= Strongly Agree

Please answer the following statements by rating the statement that reflects your personal preference:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>My salary is commensurate to my work</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2</td>
<td>I am satisfied with my salary</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B3</td>
<td>My pay is competitive</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B4</td>
<td>I am rewarded fairly for the amount of effort that I put in my job</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B5</td>
<td>I am likely to get increase every year</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B6</td>
<td>My pay is sufficient for my basic needs</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B7</td>
<td>My pay is equivalent to similar jobs in the College</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B8</td>
<td>I am fully conversant with my compensation</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B9</td>
<td>My compensation package provides the recognition I need</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B10</td>
<td>Overall, the rewards I receive at the College are quite fair</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION C- BENEFITS

Kindly complete all the questions below by checking one response per item: The following response scale should be used for all items. 1= Not at all important; 2= Not Important; 3= Uncertain; 4= Important; 5=Very Important

Please answer the following statements by rating the statement that reflects your personal preference:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Not at all important</th>
<th>Not Important</th>
<th>Uncertain</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Medical aid benefits</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C2</td>
<td>Disability benefits</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C3</td>
<td>Insurance</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C4</td>
<td>Car allowance</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C5</td>
<td>Laptop / 3G</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C6</td>
<td>Cell phone allowance</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C7</td>
<td>Personal safety and security in the workplace</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C8</td>
<td>Provident fund / Pension fund</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C9</td>
<td>Leave (Vacation, Sick and Study)</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION D- Work-life balance

Please answer the following statements by rating the statement that reflects your personal preference:

<table>
<thead>
<tr>
<th></th>
<th>Not at all important</th>
<th>Not Important</th>
<th>Uncertain</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>Telecommuting</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>D2</td>
<td>Flexible hours</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>D3</td>
<td>Community contribution</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>D4</td>
<td>Maternity &amp; Paternity leave</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>D5</td>
<td>Study leave / Sabbatical Leave</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>D6</td>
<td>Financial support</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>D7</td>
<td>Employee assistance programs</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>D8</td>
<td>Job-sharing</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>D9</td>
<td>Health screenings</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

SECTION E- Performance management and Recognition

Kindly complete all the questions below by checking one response per item:

Please answer the following statements by rating the statement that reflects your personal preference:

<table>
<thead>
<tr>
<th></th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>I receive performance reviews at the College</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>E2</td>
<td>At this College performance reviews encourage professional growth</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>E3</td>
<td>I believe my appraisal is a fair assessment of my performance.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>E4</td>
<td>Lecturers whose students perform well are rewarded with an appropriate merit</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>E5</td>
<td>I feel my pay is a good reflection of my performance.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>E6</td>
<td>I receive a performance bonus every year.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>E7</td>
<td>I receive praises from my manager for work well done</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>E8</td>
<td>I feel more motivated if I receive the recognition I deserve</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>E9</td>
<td>I am supplied with specific information on what behaviours or actions are recognised during performance reviews</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>E10</td>
<td>At this College recognition is often accompanied by tangible rewards</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
SECTION F - Personal Development and Career opportunities

Kindly complete all the questions below by checking one response per item:

Please answer the following statements by rating the statement that reflects your personal preference:

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>Tuition reimbursement / bursaries are available at the College to equip skills</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>F2</td>
<td>I have access to relevant training programmes and skills development.</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>F3</td>
<td>The company offers me career development opportunities</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>F4</td>
<td>I would like to have a Mentor at the College</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>F5</td>
<td>I will stay with the College if I was trained for a more senior position</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>F6</td>
<td>Attending conferences / workshops in my field of specialisation is encouraged</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>F7</td>
<td>New technology / work methods training is available for College employees</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>F8</td>
<td>Job advancement / promotion opportunities are available at the College</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>F9</td>
<td>Work integration to provide employees with opportunities for workplace interaction is present at this College</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>F10</td>
<td>There are formal and informal Mentoring programs to assist lecturing stand and to improve productivity at the College</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
</tbody>
</table>

SECTION G – Employee retention

The following response scale should be used for all items:

Please answer the following statements by rating the statement that reflects your personal preference:

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>G1</td>
<td>My basic salary is adequate</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>G2</td>
<td>My medical aid benefits are adequate</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>G3</td>
<td>My pension benefits are adequate</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>G4</td>
<td>I am satisfied with the career development I get from the College</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>G5</td>
<td>My job responsibilities is satisfactory</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>G6</td>
<td>I am satisfied with my workload</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>G7</td>
<td>I have a healthy relationship with my immediate supervisor</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>G8</td>
<td>Training and developmental opportunities</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
<tr>
<td>G9</td>
<td>There is a flexibility in my working environment for those who are furthering their studies.</td>
<td>Strongly Disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
</tr>
</tbody>
</table>
SECTION H – What attracted you to the College?

Please indicate following response scale should be used for all items.

Please answer the following statements by rating the statement that reflects your personal preference:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>I have always wanted to work at an FET College</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>H2</td>
<td>Attractive rewards attracted me to join the institution</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>H3</td>
<td>I find the College very attractive institution to work for because of the good reputation</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

SECTION I

Please indicate which THREE of the employee rewards attracted you to join the College (Mark ONLY the 3 WHICH YOU BELIEVE WERE MOST IMPORTANT TO YOU)

<table>
<thead>
<tr>
<th>Reward</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>I1 Variable pay (bonus / long term incentive)</td>
<td></td>
</tr>
<tr>
<td>I2 Monthly Salary / remuneration</td>
<td></td>
</tr>
<tr>
<td>I3 Benefits (medical aid / retirement funding / leave)</td>
<td></td>
</tr>
<tr>
<td>I4 Performance, Recognition &amp; Career management (development opportunities, quality discussions with your manager)</td>
<td></td>
</tr>
<tr>
<td>I5 Quality work environment</td>
<td></td>
</tr>
<tr>
<td>I6 Work home integration (flexible working hours, half day leave, ability to work from home)</td>
<td></td>
</tr>
</tbody>
</table>

Thank you for completing the questionnaire 😊