Examining the relationship between job security, compensation and training among professional sport coaches in South Africa

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Abstract

Sport organizations are mainly in the business of providing a service – for example sport coaching. For coaches to perform at the optimal level they need, among other things, to be provided with appropriate training and development opportunities to develop their skills, adequate compensation which will lead to greater job satisfaction, organizational commitment and job security. The sport organization therefore needs to shape and align its HRM system to suit the needs of coaches so that it can attract, nurture and retain one of its most precious resources – the sport coach. The purpose of the study was to examine the relationship between job security, compensation and training among professional sport coaches in South Africa. A quantitative research approach was used for the study. A non-probability convenience sampling method was used to recruit a sample of human resources managers for the study. A two-section structured questionnaire was developed to collect data from potential participants in all provinces in South Africa. Frequencies were used to report on the demographic data and correlations and regressions were used to report on the relationship between job security, training and compensation of sport coaches. A positive practical significant relationship was found between training and compensation (medium effect). A practically significant relationship with a positive large effect was found between training and job security. A positive statistically significant effect was found between compensation and job security. The results of the regression analysis revealed that training predicted positively towards job security, implying that if employees receive more training their job security is higher. The current study provides crucial evidence of the influence of both compensation and training on the job security of sport coaches. From the findings it is evident that training makes a larger contribution to the job security of coaches than compensation.

Keywords: Job security, training, compensation, sport coaching, sport organization.

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Introduction

The gradual professionalization of sport that has been witnessed in South Africa in the past decades has necessitated the replacement of volunteers by paid staff (Taylor & McGraw, 2006). In order to enhance the effectiveness of sport organizations, one needs to understand the similarities and differences between the sport industry and other traditional industries (Chalip, 2006).
Human resources management (HRM) has been identified as a potential pathway to increase organizational effectiveness (Dixon, Noe & Pastore, 2008). Chelladurai (2001) posits that the human resources in sport organizations is the primary resource and this resource, if efficiently coordinated with other resources, will greatly assist the sport organization in achieving its goals.

According to Barney’s (1991) resource-based theory the human resources in an organization could provide the organization with a source of competitive advantage if a) it adds value to the production process, b) the skills of the human resources are rare, c) the qualities that human resources have cannot be imitated, and d) the human resources cannot be replaced by technology. Sport organizations are mainly in the business of providing a service – for example sport coaching. In this context value is added to the ‘production’ process through the development human performance such as the performance of athletes (Chelladurai, 2001). In order to outperform opposing athletes or teams, athletes as well as coaches in a sport organization need to have rare skills which cannot be imitated. It is also unlikely that coaching as well as the human touch that goes with it will be replaced by technology.

For coaches to perform at the optimal level they need, among other things, to be provided with appropriate training opportunities to develop their skills, and adequate compensation which will lead to greater job satisfaction, organizational commitment and job security. The sport organization therefore needs to shape and align its HRM system to suit the needs of coaches so that it can attract, nurture and retain one of its most precious resources – the sport coach.

Job security

Among the many issues that face coaches in sport organizations is that of job security. Singh (2001) opines that the tenure of employment for anyone entering a profession is a huge concern. While sport coaching can be a rewarding and fulfilling profession, it can also be viewed as a perilous occupation where the pressure is high and the life expectancy increasingly short (Singh, 2001). White (2013) argues that regardless of how good a coach is it is the success of athletes and teams which determines the longevity of a coach’s job. Coaches who lose their jobs because of the poor performance of their athletes or teams may find difficulties in landing a new coaching position.

Singh (2001) suggests that job security in sport coaching lies in three broad areas. In the first instance coaches must rely mostly on their own ability, regardless of the number of coaching assistants. Failure in this regard diminishes the job security perceived by the coach. Secondly, the coach must
have complete faith in the players in the team. Thirdly, the coach must have faith in assistant coaches, in that they are dedicated enough and possess sufficient knowledge to do an outstanding job of imparting skills and attitudes necessary for excellence in an athlete. Any shortcomings in the aforementioned areas may contribute to the job insecurity of the coach.

Griffin (1990) posits that job security needs are satisfied for many employees in an organization by job continuity, a grievance system which protects one against unfair dismissal and an adequate insurance and retirement benefit package which provides security against unforeseen occurrences such as illness and injury. In many instances much depends on the skills of the coach, the talent of the team, the win/loss record of the coach and the objectives of the organization. Fluctuating results have long been the reason why many coaches experience lack of job security. Nearly two decades ago a study by van Zijl (1984) found that professional sport coaches experienced problems with job security and continuity because the success of coaching was normally measured in terms of success achieved by the team. This impacted negatively on promising professional coaches who were frequently lost from sport because there was no provision for job possibilities, job security and continuity in their jobs. The contracts of many sport coaches do not guarantee job security. Surujlal (2004) found in a study on professional sport coaches that although the majority of coaches had employment contracts, these contracts were not binding with the sport organizations resulting in coaches not being secure in their jobs. Although the author argues that the responsibility for the management of security of employment is shifting in many sport organizations from the responsibility of the employer to more proactive strategies on the part of employees to ensure that they remain employable, sport organizations still have a major role to play in the job security of coaches. Warren (1996) suggests that managers take employment security seriously and build this concept into their professional ideology, practice and strategic plans. The author advises that instead of undermining job security, organizations should be trying to preserve and support it in the face of destructive competitive pressures and tendencies because if secure employment cannot be supported and strongly established, organizations will be poorer for it.

**Compensation**

An important contribution that management of sport organizations can make to organizational effectiveness is to provide the organization with well-motivated and satisfied employees (Surujlal, 2004). One of the ways this can be ensured is through recognising and compensating employee effort and performance appropriately. The compensation system underlines the core features of the employment relationship. Compensation deals with every type of reward that individuals receive for performing organizational tasks. It refers to all financial,
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non-financial and psychological rewards an organization gives to its employees in exchange for the work they perform (Bratton & Gold, 2007). It is the largest single cost for the average company with employee wages accounting for 60 to 95 percent of average company costs (Gerhart, Rynes & Fulmer, 2009). The compensation package is a critical expense which determines the competitive position of an organization. It also affects employees by providing them acknowledgement of their individual achievements and assisting them in meeting their basic needs.

Compensation encompasses rewards which may be intrinsic or extrinsic (Chelladurai, 1999). Intrinsic rewards lie in the job itself and refer to the enjoyment that an employee derives from the job. Extrinsic rewards can take a financial form (for example salary and bonuses) or a non-financial form (for example a good office). Financial rewards that an organization offers can take the form of indirect compensation (for example medical aid, pension, group insurance and paid leave) or direct compensation (basic salary, overtime and incentive bonuses). Non-financial rewards may relate to career progress (training or studying at the organization’s cost) or to social status (for example special privileges). Barber and Bretz (2000) opine that an organization’s compensation system is the most powerful tool for managing employee motivation. It is the backbone of all policies concerning the acquisition and utilization of human resources (D’Netto & Sohal, 1999) and in cultivating a collaborative work environment (Zobal, 1998). Most employees rank compensation as the most important factor in their job (Surujlal, 2004).

Because of the heightened competition that many sport organizations face, it is important they ensure that their compensation packages are attractive and competitive if they want to recruit and retain good employees (Larkin, Pierce & Gino, 2012). There are numerous benefits associated with competitive compensation packages. These include reduced absenteeism and turnover, increased job satisfaction of coaches (Surujlal, 2004) and highly motivated coaches. It also influences organizational effectiveness by maintaining the organizational culture that fosters the specific goals and aims of the organization (Chelladurai, 1999).

Ivancevich (1998) posits that salary, wages and bonuses form the base of all compensation systems. Although there are many types of compensation systems, they all link rewards with performance. However, in addition to monetary compensation, there are also other rewards that an employee may expect and enjoy. Compensation may be allocated based solely on organizational relevant performance or based on membership in specific groups meaningful to the organization, for example, seniority or rank (Arnold & Feldman, 1988). The qualifications one possesses can be used as a basis for the rewards one earns. In many instances, the higher the qualifications the
higher the salary one may earn. Skills which employees possess are used by many organizations as a base to determine compensation. The advantage of using skills as a basis for compensation is that from the organization’s perspective the organization gains by enhancing its human capital and the organization will have a more flexible workforce not straitjacketed by job description. This approach promotes cross-training, thus preventing work disruption (Gomez-Mejia, Balkin & Cardy, 1988). Compensation can also be based on the job that an individual does (Schuler, 1983). In this traditional approach the more complex a job is and the more demands the job puts on the employee, the higher the compensation. Chelladurai (1999) posits that many organizations base their compensation system on seniority. This approach is justified by many organizations by linking seniority to skills and mastery of the job. Arnold and Feldman (1988) argue that linking seniority serves to encourage and reward continued membership but does nothing to reinforce productivity and performance. Most organizations use performance as the base for compensation. In sport organizations, however, this approach is difficult to adopt as there are various other factors that play a role in the ‘production’ of performance (Surujlal, 2004). In sport coaching, the quality of the athletes, the number of matches won or drawn and the number of athletes who have been successfully coached need to be considered when evaluating the performance of the coach.

Training

Most sport organizations in South Africa were previously non-profit organizations. However, due to South Africa’s readmission into the international sport arena, sport organizations have become more professional focussed and profit oriented resulting in the need for more competent employees. Currently, most sport organizations are primarily in the business of providing services. One of the services that the sport organization provides is coaching. The clients of the services that are provided by the sport organization include athletes, spectators, fans and the media. To ensure that the clients are satisfied the services which are provided should be of a high quality. This may be achieved if employees have the appropriate skills and competencies required of them to perform their tasks. Training of employees is thus an important aspect which sport organizations should include in the career path of their employees.

The training of employees constitutes an ongoing process in any organization to improve the current or future employee performance by increasing an employee’s ability to perform. This can be done by providing opportunities for employees to learn so that their skills and knowledge are enhanced. Training can increase an employee’s job security and job satisfaction, and impact on the compensation that the individual receives (Surujlal, 2004).
Training is a formal and systematic process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities (Armstrong, 2001). It provides employees with specific skills to improve on their strengths and correct deficiencies in their performance. It also assists employees to develop competencies which are not easily developed in a classroom situation. Effective training is a crucial element of effective performance (Surujlal, 2004). The most difficult aspect of training is changing attitudes and behaviour, compared to improvements in knowledge and skills which are relatively straightforward to attain and measure (Cushway, 1999). One of the main reasons for training for the organization is that the organization is able to achieve the best possible return from its investment in its most important resource: its employees. Training is used to develop individual skills and abilities to improve job performance, familiarise employees with new systems, procedures and methods of working; help employees and new starters to become familiar with requirements of a particular job and of the organization; and to further the between the individual and the organization (Chelladurai, 1999). Training, if effectively and efficiently managed and implemented, minimises learning costs, increases performance speed and overall productivity, extends the range of skills possessed by employees and increases job knowledge.

Sport coaches require three essential skills to coach (Quarterman & Li, 1998). They require technical skills because they are increasingly exposed to new technologies and equipment which necessitates their skills upgrading in this domain; interpersonal skills which are essential because most sports coaches in sport organizations are always interacting with people and success depends on the ability of the group to work together; and problem-solving skills because they interact with diverse groups of people who experience different challenges. Surujlal (2004) posits that the need for training in sport organizations is necessary to ensure the continual flow of suitable personnel to help produce the top performing athletes of the future, as well as to introduce, attract and retain new participants.

According to Fizel and D’itri (1996) sport coaches, like business managers, perform several functions that are critical to the performance of their organization. For a sport organization to be successful, its coaches need to be taught the basics skills like teaching, communicating, motivating and supervising. Because of the constantly evolving nature of the coaching job, existing skills need to be upgraded. This requires continuous monitoring and development of training systems tailored to meet the current needs of coaches.

Coach training contributes to continuing coach development so that the quality of sports coaching is sustained and improved (Cushion, Armour & Jones, 2003). It is based on a combination of formal and informal provision
depending on the knowledge and experience of the coach (Lyle, 2002). While formal coach training is easier to coordinate and monitor because it occurs in a structured environment, informal training can pose serious challenges (Lemyre & Trudel, 2004) because it may be difficult to assess and build upon.

**Purpose of the study**

The purpose of the study was to examine the relationship between job security, compensation and training among professional sport coaches in South Africa.

**Methodology**

To achieve the purpose of the study a quantitative research approach was adopted. In this approach a large number of representative cases are used, the data collection is structured and quantifiable, and the data analysis is statistical (Malhotra, 2004) eliminating possible subjectivity of judgment (Rozina & Matveev, 2002).

**Sample**

A non-probability convenience sampling method was used to recruit the sample for the study. The sample of the study comprised human resources managers at sport organizations. A list of sport organizations affiliated to the South African Sports Confederation and Olympic Committee (SASCOC) formed the sampling frame from which the study population was recruited. Four hundred and fifty human resources managers from all nine provinces in South Africa were invited to participate in the study. Two hundred and thirty one (n=231) questionnaires were completed and returned giving a return rate of 51%.

**Instrumentation and procedures**

Arising from a comprehensive literature study, a structured questionnaire consisting of two sections namely demographics and human resources practices was developed. The demographic questions sought information pertaining to gender, age, highest level of professional qualification, number of years of experience, main code of sport and the province in which the respondent worked.

Thirty two questions formed the human resources practices section of the questionnaire. The items in the scale were scored on a 5-point Likert-type scale anchored at 1 expressing strongly agree and 5 expressing strongly disagree. Ten questionnaires were pre-tested with managers to identify and eliminate problems relating to ambiguity and grammar as well as to ascertain its content.
validity. This helped to affirm that the questionnaire would capture the information sought by the researcher (Sudman & Blair, 1998).

Questionnaires were hand delivered, posted or e-mailed to potential participants in all provinces in South Africa. Attached to the questionnaire was a covering letter explaining the purpose of the study as well as informing the participants that their involvement in the study was voluntary. Participants were also made aware that they would remain anonymous and that the data would be treated confidentially and reported in aggregate, so that they could not be traced back to individual participants.

The returned questionnaires were subjected to editing and coding for input into the Statistical Programme for the Social Sciences (SPSS – version 20 for Windows). Frequencies were used to report on the demographic data and correlations and regressions were used to report on the relationship between job security, training and compensation of sport coaches.

Reliability and validity

Construct validity was assessed using the factor analysis procedure whereby cross loading of variables were examined. The factors reflected distinct dimensions with a high level of communalities showing cohesiveness of items in each factor. Convergent validity was assessed through the computation of correlations among the variables. Furthermore, Cronbach’s alpha was used to assess the reliability of each variable. The reliabilities were as follows: job security (α = 0.839); training (α = 0.723) and compensation (α = 0.651). Predictive validity was assessed through regression analysis (see Table 3).

Results

Demographics

The respondents comprised 73 percent male respondents and 27 percent female respondents. The majority of the human resource managers were 36 years and older (70%). With regard to experience, most of the respondents (59%) had 10 years and less management experience. In terms of level of education, most managers were in possession of either a diploma or degree (86%). The largest number of respondents managed the following sports: soccer (26%), rugby (23%) and cricket (16%). The majority of the respondents were from the Gauteng province (21%) and KwaZulu Natal province (20%).
Correlation analysis
Correlations were used to examine the relationship between job security, training and compensation. The strength of the relationship between the variables is illustrated in Table 1.

Table 1: Correlations

<table>
<thead>
<tr>
<th></th>
<th>TRAINING</th>
<th>COMPENSATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRAINING</td>
<td>1.000</td>
<td>-</td>
</tr>
<tr>
<td>COMPENSATION</td>
<td>0.418**</td>
<td>1.000</td>
</tr>
<tr>
<td>JOB SECURITY</td>
<td>0.746**</td>
<td>0.148*</td>
</tr>
</tbody>
</table>

According to Choudhury (2009), the strength of the relationship between variables can be described as follows: ± (0.5 to 1.0) = Strong relationship; ± (0.3 to 0.5) = Moderate relationship; ± (0.1 to 0.3) = Weak relationship. According to Table 2, a positive practical significant relationship exists between training and compensation (medium effect). A practically significant relationship with a positive large effect exists between training and job security. A positive statistically significant effect was found between compensation and job security.

Regression analysis

In order to establish the fundamental effect of compensation and training on job security, multiple regression analysis was conducted with job security as the dependent variable. The effects are reflected in Table 2.

Table 2: Multiple regression analyses with job security as dependent variable and training and compensation as independent variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>p</th>
<th>F</th>
<th>R</th>
<th>R²</th>
<th>ΔR²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>SE</td>
<td>Beta</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>0.63</td>
<td>0.19</td>
<td>3.37</td>
<td>0.00</td>
<td>16.38</td>
<td>0.77</td>
<td>0.59</td>
</tr>
<tr>
<td></td>
<td>Compensation</td>
<td>-0.28</td>
<td>0.07</td>
<td>-0.20</td>
<td>-4.25</td>
<td>0.00*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td>1.30</td>
<td>0.07</td>
<td>0.83</td>
<td>17.74</td>
<td>0.00*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The results in Table 2 indicate that compensation and training predict job security. Model 1 accounts for 54% of the variance in job security and is significantly fit of the data ($F=(2.228), p<0.05, \Delta R^2=0.54$). In terms of the individual predictors it could be reported that compensation ($\beta = -0.20; t = -4.25; p < 0.00$) predicts negative job security. This means that if compensation increases job security are lower. Training ($\beta = 0.83; t =17.74; p < 0.00$), on the other hand, predicted a positive job security, implying that if employees receive more training their job security is higher.

**Discussion**

It is interesting to observe how little effect compensation has on job security. While compensation plays an important role in one’s job satisfaction (Surujlal, 2006), the results of the study indicate that it is highly unlikely that increased compensation will contribute to higher job security. Surujlal (2004) asserted that in order for sport coaches to be compensated appropriately, compensation should not only be based on performance (which in most instances is difficult to measure in sport coaching), but also on the qualifications and competencies of the coach. This assertion supports Warren’s (1996) view that employment security will come from a person’s employability and from the skills that will enable him/her to add value to an organization.

One’s skills can only be improved and upgraded through education and training. This may perhaps explain the strong positive relationship between training and job security. Surujlal (2004) argued that improved skills increased the employability and marketability of employees. Employees who perceive that they are highly marketable and employable as a result of their qualifications and competencies are likely to perceive higher levels of job security than those that do not. Cornelius (2001) in agreement, suggested that the management and continual updating of employees portfolio of skills, knowledge and expertise is core to ensuring continuity of employment. This implies that employees will not only feel secure in their current positions but will be confident enough that if they lost their current jobs, obtaining new employment will pose fewer problems. In the context of sport coaching it is not the compensation one earns which determine how secure they feel about their jobs but rather their ability to produce high quality athletes.

Training has the potential to raise the productivity of employees which, in turn, stimulates the demand and marketability of employees. Bassanini (2004) argued that training, in contrast to formal education, appears to have a greater positive effect on job security than wages. In instances where training is employer-paid the probability of one losing one’s job decreases (OECD, 2004; Katsimi, 2003). It is interesting to also note that trained workers change jobs
more often and are less frequently dismissed than non-trained workers (OECD, 2004).

Bassanini (2005) argued that employees with minimum training faced a higher risk of unemployment as well as a higher risk of being paid less. Although compensation did not predict job security, it should be noted that the compensation received by an employee is an indicator of how valuable the employee is to the organization (Zobal, 1998). Therefore compensation, which is a prime factor for employee motivation and job satisfaction, should not be ignored.

**Strengths and limitations of the study and implications for further research**

A notable strength of the study lies in the fact that the respondents were drawn from all nine provinces of South Africa. This implies that the sample was representative of the population. Hence the findings of the study can be generalised to all professional coaches. A limitation of the study was that the area under survey was geographically scattered. Thus the researcher had little control over how respondents completed the questionnaire. Greater accuracy could have been achieved if the questionnaire was completed in the presence of a fieldworker.

The study, however, has several implications for further research. Compensation systems and training programmes offered by different sport organizations should be investigated and the results compared to ascertain whether healthy competition and opportunities for coach development are existent. Future research with regard to compensation systems may also help sport organizations to structure their compensation packages in line with other sport organizations and to the satisfaction of professional sport coaches. Further research could also be conducted to establish measures that sport organizations have in place to ensure the job security of coaches.

**Conclusion**

While job security is a universal problem, research on the job security of professional sport coaches in South Africa is fragmented and anecdotal. Job security is critical for influencing job-related outcomes and is an important determinant of employee health, psychological wellbeing of employees, employee retention and employee turnover. The current study provides crucial evidence of the influence of both compensation and training on the job security of sport coaches. From the findings it is evident that training makes a larger contribution to the job security of coaches than compensation.
References


