

**Employee retention by controlling
expectations: Understanding the
psychological contract of employers in the
mining sector**

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ABSTRACT

This study examined employee retention by controlling expectations and understanding the psychological contract of employers in one mine in the North West Province, South Africa. The subjective research strategy was utilized to gather data for this study. Random sampling was used to determine the study population. Seven (7) employees were selected to participate in a focus group discussion and six (6) employers from the managerial cohort were chosen to participate in a one-on-one interview. The results showed that besides salary increments, employers in the mining sector are still able to retain and appoint the best-talented employees. Fair treatment, training and development, and consultation were highlighted retention strategies that employers could use for keeping employees at the workplace. The researcher had two interviews, one for the employees and one for the employers. Questions were asked by the researcher and participants were given the chance to give their views,, the researcher used a form of audio recording to capture data. This study seeks to determine the state of the psychological contract of employees in the mining sector and how employers could retain employees by controlling their expectations. Purpose sampling was used to gather information

Keywords

Expectations, Employee retention, psychological contract.

DECLARATION

Master's degree in Human Resource Administration and Management, North-West University, Mafikeng, 2018.

I declare that this research is my original work and it has not been submitted to this or any other university for the award of a degree.

Signature : _____

Date : _____

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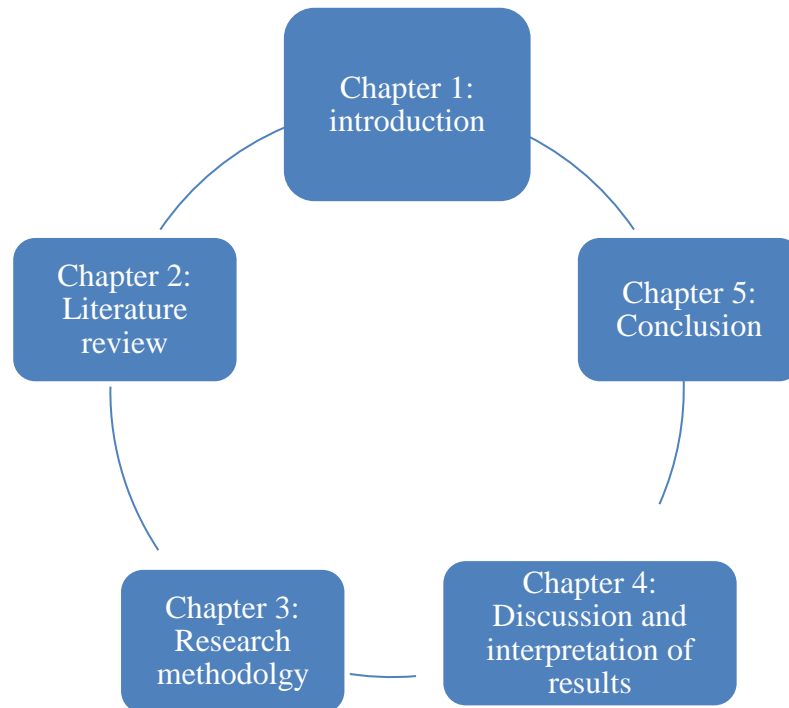
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Chapter 1 INTRODUCTION TO THE STUDY



1.1 INTRODUCTION

Employee retention has a positive benefit for both the employer and employees in an employment relationship. Employees in current contracts react differently when they feel that their expectations are not met, or when they get dissatisfied (Uwe, 2007). Frequently, they move to other organisations to look for better opportunities and employment terms (Gurumani, 2010). From the start, employers need to make it clear to recruits and existing personnel what they must expect from the job so that employees have a clear understanding of what they are contracted to perform when they enter into a labour relationship with the employer (Scott, Eau, and Jill, 2001). These researchers suggest that when the employer does not meet expectations, strife and tension are expected, thereby heightening the possibilities of a breach of the psychological contract. In most cases when employees are unhappy about their working conditions or demand salary increment wherein management does not give in to their demands, these employees would most likely embark on a strike (Maguire, 2002).

According to the Labour Relations Act (no.66 of 1995), a strike is defined as when employees refuse to work, or they delay their daily basis routines of work. These enactments could be on an individual or a group of people employed by that particular organisation. The Act also states that the strike serves to resolve employee grievances for shared premiums between the manager and employee, and every reference to work in this definition incorporates extra chance to work, which could be either voluntary or a fundamental obligation in terms of the Labour Relations Act (66 of 1995). Furthermore, Maguire (2002) defines a labour strike as a strategy that is used by a group of employees to challenge employers to meet their demands where a third party (trade union) may join and speak on behalf of employees.

In the last decade, South Africa has had many strikes, for example, teachers strike in 2007, and the Bojanala Bus commenced in 2013. In both disputes, negotiations between employer and trade union were successful to end the impasse before it got dangerous (Van Vuuren, 2014). In 2013 the majority of business and media reports highlighted the Lonmin strike as the most extended one. It was a class action that genuinely endangered and destabilized the mining sector in Rustenburg. The strike lasted over five months and only ended on 21 July, 2014. Negotiations continued between the employer (Lonmin) and the trade union, the Association Mineworkers and Construction Unions (AMCU) where Lonmin was willing to pay between 7,5% and 8,5% yearly raise to the employees but the employees demanded R12 500 as a basic salary per month (which is about 68% raise). This disagreement culminated in the enduring strike. According to Van Vuuren, (2014) the deadlock in negotiations posed a serious threat to both workers and property.

Due to the long Anglo American platinum strike that took place in early 2014 AMPLATS resorted to selling mines in Rustenburg and Limpopo, specifically because the mine had a loss of 420 000 ounces of platinum, and earnings per share dropped to 60 percent from R5.14 earlier in the year. This closure of 11 shafts has the direct consequences of 5 700 retrenchments which are estimated to be 21% of the South African workforce (Grootes, 2014). The ripple effects of the five-month strike reflect a devastating blow for both parties, where employers' earnings loss was R10 737 248 472 and the company's revenue loss was R24 159 010 320 , with production dropping to 40% which is estimated to cost R4,1 billion rand from the period of January to date (Grootes, 2014). Taking the abovementioned scenarion into consideration, the

question arises as to why employers deny giving in to employee's demands to avoid strike actions? To fully answer this question, it is imperative to look at the literature regarding retention, the psychological contract and the sustainability of employer-employee relations.

1.2 LITERATURE REVIEW

Every organisation, public or private, works towards achieving shared common goals and each emerges with different methods and strategies to achieve those goals. Managers play a vital role in actualising this organisational goal by ensuring that the mission and vision of the organisation are accomplished, even if it means coercing and regulating employees to do their job based on their job description (Jacobs, 2007).

Talent management is a broad concept and is often referred to as human capital management; which includes processes such as recruiting, managing, developing and monitoring and also ensuring that the organisation attains and retains its best-talented employees. In a nutshell, talent management involves strategic management, and it provides that organisations have the competent employees. Talent management entails also succession plans and management development strategies, with the obvious implication of appropriately compensating employees throughout the employment contract (Armstrong, 2006).

Talent management is found in various parts of the organisation, and it focuses on the process of recruiting, developing and training employees on the skills they lack (Jacobs, 2009). This research focuses on employee retention as an aspect of talent management. Conservation is defined as keeping a portion of employees in the organisation, and retention is the most desirable outlook in most companies. Preservation focuses also on attaining and retaining the most competent employees within the organisation (Chaminade, 2007). Every organisation has a vision and strategies to achieve their targets through such a protocol. Extra efforts and courage are taken by the employer to retain and lure talented workers in order to meet the overall objectives and goals of the organisation. Employee retention involves encouraging employees to remain within the organisation and also creating an environment conducive to managing diversity. Holding suitable and hardworking employees is a challenge, regardless of the industry or geographic location (Chaminade, 2007).

According to Yamoto (2009), when employers fail to retain its talented employees, the result is high turnover, which makes the employer duty-bound to hire temporary staff while still advertising to recruit the right person for the vacant position. Recruiting a new employee costs the organisation a lot of money because they have to train the new employee (and while training the employee the organisation will still experience a decrease in production). Employees are assets in an organisation because they play a vital role in ensuring target production takes place and quality goods are produced for consumers. It is therefore imperative that employers identify the right retention strategies, which are likely to retain and attract competent employees. The prosperity or failure of the association between employer and employee depends on whether or not the organisation can retain employees, including the diverse range of plans they use to achieve this.

One of the essential objectives of retention is to avoid the forfeiture of employees as this has a directly negative impact on the organisation, principally by decreasing production and concomitant low service delivery. Retention is a severe undertaking for managers in a company as employees often jump from one organisation to another because they are attracted by various incentives (Hendricks, 2006). According to Hellegren (2003), employee turnover in organisations is caused by a range of hiring practices, lack of promotion and inadequate training and development opportunities. Another disadvantage of high employee turnover is that it costs the organisation money to recruit a new employee to fill a position and to train entrants to be more the same compatibility and productive levels as the previous candidates (Hellegren, 2003). Chaminade (2007) identifies maintenance as a voluntary move by employer associations so as to create a practical domain which captivates workers for the long run with the goal that they do not need to contemplate seeking better opportunities elsewhere.

Employee intentions to remain in the organisation, be committed and also stay loyal is explained by Maslow's hierarchy of needs (Hellegren, 2003). This motivation theory demonstrates that people are motivated by five levels of needs which are psychological, safety, social, regard, and self-actualization. In this hierarchy, physiological needs are categorized as the most basic needs such as food and clothes. These are followed by safety and social needs that are characterized by adequate salaries and job security. To elaborate on what has been specified above, when an employee enters into an employment contract, their basic expectation

is to get adequately paid for the services rendered. When such adequate payment is not forthcoming, then logically the employee is unable to meet their very basic needs.

To retain employees in the organisation, it is essential to take the psychological contract into account, especially when there is a development of expectations. The term mental contract was used in the early work of Argyris (1960) within the organisation (Anderson & Schalk, 1998; Guest, 2004; & Schalk & Roe, 2007) to suggest that there is a degree of mutual expectations when a contract is entered into. Levinson (1962) outlined and broadened the concept to suggest that the psychological contract is a set of mutual or shared expectations between an employer and employee (De campos, 1994; Anderson & Schalk 1998).

Wellin (2007) states that the mental contract primarily “refers to common desires kin have on one each other in an association where entry these desires should be the minimum expectation. These entry desires change over the time of the contract, relative to conduct, performance and time. Starting with the employee’s viewpoint, the mental agreement may be an assumption of what the association vows or offers to give them when they enter into an agreement. Consequently, guarantees such as high salary and benefits inclusive of medical aid, housing, payment, furthermore bonuses become major points of contention in many-a-contract.

The psychological contract differs from other formal written agreements because it influences how employees behave from day to day. The psychological contract is a guideline to employees on what their employers expect from them, which could prompt implausible desires because of the way that a portion of the attractions may not be expressed in the business contract. The mental contract also defines expectations between manager and personnel. Employers are expected to treat employees fairly and with mutual respect, to give feedback on the performance of their employees, while on the other hand employees are expected to remain loyal to the employer’s organisation and also to carry out instructions given by the employer (Upasana & Shivganesh, 2009).

Empty promises made by employers can leave employees feeling frustrated, betrayed and dissatisfied. These employees rely on those promises and always keep them at the back of their minds. They also have faith and trust that employers have an obligation keep their word and

deliver as promised (Collins, 2010). The psychological contract also consists of violations which are caused by a breach of this contract between employer and employee. These violations are largely based on the calculation of the equity on what was promised (Collins, 2010). The violation of a psychological contract involves an intense experience or a feeling of betrayal (Guest, 2004).

Employees' desires are triggered by a full of a range of sources, including experience and social norms (Guest, 2004). Since an examination of the inward workings of the mental contract began, desires have been viewed similarly as part thereof. Employees may have unrealistic expectations of higher salaries and promotions based on their previous relationship with their employers, or other employers, which the employers cannot deliver on (Garavan & Morley, 1997).

Nowadays in the working environment, everyone expects more. Employees expect a greater say in how their work is assigned and how their employers assess and also reward them, while employers want high productivity to gain profits (Schwartz & Tylka, 2008). When the employer does not meet expectations, this breach contributes to workplace conflicts, poor performance, high absenteeism and staff turnover (Snyders, 2002). Communicating and adjusting expectations could increase commitment to the working environment. Employers could promise to grant opportunities of training and development, promotion and compensation according to the employee's performance, and in return, employees provide guarantees to work harder, have more flexibility and be loyal to the employer (Paauwe, 2004). If expectations are not met, there is always the possibility of higher staff turnover, so it is crucial that the compensation system in any organisation must attract and retain competent workers. The compensation system should also act as a support mechanism for employee motivation (Paauwe, 2004).

1.2.1 OVERVIEW OF THE RESEARCH PROBLEM

This study sought to understand the psychological contract between employees and employers and precisely to determine why employers do not just give in to employees' expectations. This contested issue is evident in the situation at Lonmin Mine in Rustenburg where negotiations with the trade union AMCU (Association Mineworkers and Construction Unions) has cost

employees a total of R8,6 Billion in earnings lost and the company R19,5 Billion in revenue lost (Grootes, 2014). Montes and Zweig (2009) explained that managers should know and take into consideration that money is a dangerous method of motivating and retaining employees. If organisations make money a tool for attaining and keeping employees, they are likely to face a severe problem as employees demand an increment every year (Montes & Zweig, 2001). Employees and trade unions in the Lonmin mine demanded a 12% pay raise for the year, and their employers were only willing to give 4% over the following three years. An Implats spokesperson stated “We have a weekend to think of our fiscal means in the pay offer, and nothing more than this significant amount shall be acceptable for us and our representative AMCU” (Lisan, 2014).

There are certain motivating expectations that employers must take into consideration when they recruit talented employees in the workplace (Guest, 2004). Jacobs (2004) states that four motivating expectations need to be taken into consideration when appointing and retaining talented employees. The first motivating expectation is recognition. In recognition, employees want to be recognised and appreciated by their employers because of the positive contribution they bring into the organisation. Secondly is an expression, whereby the employees expect to be given freedom of speech to comment if management is doing something right or wrong. Thirdly is security, and principally no individual wants to work in an unsafe working environment which indicates that it is very crucial that the employers adhere to the Occupational Health and Safety Act (No. 85 of 1993). Lastly is growth, wherein employees do not enjoy to be in one field for a very long time. Employees expect to be given the opportunity to train and develop, hence increasing both their skills and knowledge (Wellin, 2016).

The point is that when people enter a work environment they have certain expectations, for instance, a manager’s position is associated with excellent pay and a more significant amount of shares of the organisational profits over different employees. These expectations do not fundamentally constitute what the regulation stipulates. Though these expectations are a distinct recognition in the occupation relationship and they can be fulfilled, such expectations might prompt violation of the mental contract (Freese & Schalk, 2008). The reinterpretation of the psychological contract over time might perceive exploitative behaviour, conflict, low levels for vocation fulfilment and the disappearance of anticipated rewards (George, 2009).

This was unequivocally what transpired at the Lonmin mine were employees' demanded an increment of 12% due to the delay of the agreement between the employer, employees and AMCU trade union. In a nutshell, these organisations lost a lot of money by not giving in to employee demands. As stated before, a pertinent question that arises is why employers do not give in to employee expectations, or is it an attempt to manage employee expectations so as to retain those employees in the long run.

1.3 RESEARCH OBJECTIVES

1.3.1 General Objective

This study seeks to determine the state of the psychological contract of employees in the mining sector and how employers could retain employees by controlling their expectations.

1.3.2 Specific Objectives

- ❖ To determine to what extent the psychological contract affects employee retention in a mining environment.
- ❖ To determine to what extent employee retention could be controlled in a mining environment.
- ❖ To determine to what extent managers control employee retention in the mining environment.
- ❖ To determine the outcomes of employee retention in the mining environment.

RESEARCH QUESTIONS

EMPLOYEES SECTION

- ❖ Do you feel that wage negotiation is destroying the relationship between you and the employer?
- ❖ Do you think that the company is paying you fairly? Why?
- ❖ If the company gives into your demand, do you think that the company will have financial problem that will lead to retrenchment? Why?
- ❖ Do you think it is your right as employees to get salary increase each year?

EMPLOYERS SECTION

- ❖ What can you do to manage expectations of employees?
- ❖ Do you think that employees have realistic expectations of wage negotiations?
- ❖ Do you believe that you can retain employees if you don't give into their expectations?
- ❖ Why don't you give into employees demands?
- ❖ If you accept employee demands, what possible problems will arise?
- ❖ If you give into their demands now, do you think they will expect the very same thing next year?
- ❖ Do you think you will create future expectations if you give into employees demands?
- ❖ Do you think by not giving into employees expectations or demands you protecting them from their future benefits?
- ❖ If you give into employee demand, will it cause problems to the employer?
- ❖ Do you feel that the wage negotiation is destroying the relationship between you and the employer?

1.4 RESEARCH METHODOLOGY

1.4.1 Research Design

The primary focus of this study was to explore and determine the psychological contract and employee retention within the mining sector at a mine in the North West Province, South Africa. This study was an exploratory one, guided by scrutinising the procedures that shape the psychological contract as one definitive strategy towards worker retention. This study is therefore largely a qualitative and exploratory one.

1.4.2 Qualitative research method

The initial phase of the study utilised a qualitative approach to gathering data. For this reason, interviews were conducted to identify those topics connected with the psychological contract and worker retention in the mining segment. Semi-structured interviews were used to gather information about the psychological contract and employee retention within the mining sector. The discussions focused on the extent to which the psychological deal affects employee retention in the mining environment and also what could be done by management to retain

employees in the mining environment. From these, meetings themes were identified and then confirmed by a literature review.

Qualitative research focuses on understanding how people interpret their experiences, how they construct their worlds and also the meanings that they attach to their skills. For example, rather than finding out how many retired people take on part-time jobs, the study is keen to understand how individuals conform to retirement and how they consider this period of their lives (Uwe, 2007).

A qualitative approach to data gathering was also used as part of the second phase of this research. In this phase, a discussion with a focus group was deployed to determine the employee's perspective on how management regulates and implements employee retention and also determined the outcomes of employee retention in the mining environment.

Focus groups have become a part of the collective consciousness of qualitative research community and public imagination. Focus group research tends to prefer psychological approaches and explanations which are dominant within many research field such as education, nursing, and marketing. Focus groups include one-on-one interview and furthermore additional open inquiries and discussions are held with substantially knowledgeable groups of respondents (Stewart & Shamdasani, 2005).

Focus groups are used as a stand-alone method, be that as in large cases where respondents are involved in the many routines planned for identifying qualitative habits rather than quantitative techniques. Focus groups can serve many overlapping purposes from the educational to the political and the customarily empirical (Uwe, 2007). Focus groups probe and generate the authentic voice of the people and focus groups also empower respondents in that they confirm or repudiate the views in a collective undertaking during the discussion (Sharan, 2009). FGDs confirm a substantial elective solitary interview and such information provides room for qualitative analysis. Furthermore FGDs save time in contrast to singular interviews that tap on significant respondents one at a time and then proceed to establish commonalities in the responses afterwards (Dimitriadis & Kamberelis, 2013).

The focus group discussion was transcribed, and themes related to the focus of this study were identified. During the focus group, the conversations were recorded, and topics (subjects) were defined. The literature review that was conducted was based on relevant research regarding the mental contract, desires and worker maintenance. Different publications, for example, journals, textbooks and also past investigations related to this study were consulted in the review. The databases that were used are EBSCO host, Google Scholar, and Sabinet-online. Keywords that were utilized were restricted to “psychological contract,” “desires” and “worker retention.”

1.4.3 Participants

The research was conducted in the North West region amongst those mines in Mafikeng. For the qualitative data gathering procedure, random sampling method was used to determine the study population. The criteria for the general community was permanent employees, specifically blue-collar employees in the mining sector. The study population was all miners working in the Rustenberg area of the North West Province. A purposive sampling approach was preferred to identify a minimum of five focus group (7 participants in each focus group) until data saturation point was attained. The N (6) was the employers (management) who were interviewed one-on-one. Interviews with management were conducted one-on-one, whereby different supervisors for different departments within the working environment were specifically identified.

1.4.4 Data Analysis

The interviews were translated and transcribed to generate themes and thick descriptions that were incorporated into the ultimate report of this qualitative investigation. A content analysis was done with the transcribed data to determine the reliability and validity of the interviews. The researcher examined those responses or actions from the qualitative standpoint such as the coding process of the transcribed data (Kothari, 2004).

1.5 ETHICAL CONSIDERATIONS

A letter seeking permission to conduct the study, together with a research proposal were tabled for the Ethics Committee of the North-West University. Once consent was granted by the ethical committee of the North-West University to proceed with the research study, the research commenced. The researcher also needed to get authorisation from the specific mine that was used as well as the employees’ affiliated trade-union.

1.6 DIVISION OF CHAPTERS

The study is structured in the manner catalogued below:

- Chapter 1: This chapter outlines the research proposal and the problem statement
- Chapter 2: This deals with the literature review. It provides an overview of the field and offers a clear explanation of the crucial terms such as psychological contract, expectations, talent management, and talent retention. Lastly, chapter two focuses on previous research and research findings relevant to this study in order to justify the gap that exists in the field and therefore what the study contributes in terms of filling this gap.
- Chapter 3: Research methodology: Research design methods and procedures used by the researcher are discussed in detail in this third chapter.
- Chapter 4: Presents the findings of the study. This chapter focuses on interpreting and analyzing the research results.
- Chapter 5: The primary aim of this chapter is to draw conclusions from the study data and also provide recommendations. This chapter also provides a summary conclusion for the entire study.

1.7 CONCLUSION

This chapter provided the background of the study. The essential point of this examination was to decide the nature and edicts of the psychological contract in the mining segment and how managers hold workers by controlling their desires. The following chapter, which is literature review, contains theoretical viewpoints regarding the psychological contract, expectations, talent management, and talent retention.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The importance of a literature review is to link studies that have been undertaken by other scholars with current research. A literature review generally provides a theoretical background, summarizes and also clarifies the literature. A literature review demonstrates how the topic has been studied previously, indicates where the research fits into the existing body of knowledge, and lastly, it identifies existing flaws in previous research (Boote&Beile, 2005). In this chapter, the literature review aims to provide an overview of the situation in the mining environment, as well as discuss expectations, the psychological contract, and talent management and employee retention.

2.2 SOUTH AFRICA MINING SITUATION

The mining sector in South Africa has played a vital role in establishing many infrastructures, helped reducing the unemployment rate in the country and has made immigrants and migrants come to South Africa to seek job opportunities (Hendricks, 2006). South Africa's mining industry has been facing technical and mass action challenges in the past years which has led to low production and also slowing growth (Hendricks, 2006). According to the Labour Relations Act (no. 66 Of 1995), the South African government allows the workforce to express dissatisfaction through peaceful demonstration. Employees are legally allowed to embark on a strike when they feel that their grievances are not taken into account by their employers.

In 2014 employers in the mining sector faced a massive problem as 70 000 employees in the platinum mines in the Rustenburg belt embarked on a strike demanding a minimum wage of R12 500 per month. Most employees that commenced on the wage labour dispute were from Impala, Anglo American Platinum and Lonmin mines situated in Rustenburg (Solomons, 2014). The mine workers highlighted that their working environment was too dangerous and they were unable to satisfy their physiological and higher-order needs with the salaries that they were paid, while on the other hand the platinum companies generated a lot of profit (Grootes, 2014). The mines mentioned above lost almost 40 percent of platinum production and 440 000 ounces of platinum (Solomons, 2014). The three mines cited above suffered a total revenue loss of about R24.1 billion and also the loss of R10.6 billion in wages during the five-

month strike. The reason is that wage negotiations between employers and employees took long, and citizens started to wonder why these mining companies did not give in to employee demands, as the damage of strike was far more than the amount that the employers would have paid had they given in to employee demands (Singh, 2014).

Mine workers' debts increased due to the strike as there was no income; some depended on loan sharks and food parcels that were given to them by an organisation called Gift of the Givers (IOL, 2014). Miners lost 45% of their income which would take them (miners) close to about 2.5 years to recover from their debts as some of those miners already lost their cars and houses to their debtors (IOL, 2014).

In conclusion AMCU president (Joseph Mathunjwa) reached an agreement with the platinum companies which was stipulated as follows: those who were earning less than R12 500 would get an R1 000 increase in 2014 and 2015. In the following year, which is 2016, some employees would receive an increment of R950 (Singh, 2014). Even though the conclusion between the employers and employees (union) was reached, Anglo American Platinum and Amplats reported that they had sold four mines and two joined ventures (Singh, 2014). An example of a few ventures that were sold was Pando JV in the Limpopo province, Bapo ba mogale mining and Bokoni JV. South Africa has faced many strikes in the last decade, for instance, the teachers and bus drivers' strike, but this five-month strike of miners was regarded as the most prolonged and dramatic of the strikes in the country (IOL, 2014).

Due to the strike action in the mining sector, there are a lot of factors that affect employee and employer relationship, which then affect the psychological contract of these parties. The mental deal is briefly outlined in the following section.

2.3 THE PSYCHOLOGICAL CONTRACT

The psychological contract has become a significant construct over the past decades concerning labour theory and practice (Conway & Brinner, 2005). One of the mental contract's primary purpose is to oversee current changes in employment relationships concerning new commercial

and organisational circumstances such as foreign competition and economizing on temporary workers (Sutton & Griffin, 2004). The psychological contract differs from other legal agreements because it influences the behaviour of employees on a day-to-day basis (Coetzee & Schreuder, 2010).

The psychological contract can be defined as a set of beliefs based on what employees and employers expect to get after services rendered. For instance, an employer expects the employee to do their daily duties, and in return, the employee expects to be paid for the services rendered (Wellin, 2016). According to the Chartered Institute of Personal Development (CIPD, 2010), the psychological contract can also be defined as views between two parties, and they are based on mutual obligations towards each other. It further explains that some of these obligations that the two parties have amongst each other may be seen as a promise made between the parties, a promise that both are obliged to fulfil (CIPD, 2010).

The psychological contract is often characterised by intangible qualities such as kindness, belief, and objectivity and it defines the daily duties to be done (Kiazad, 2010). The psychological contract is an influential undertaking for both employer and employee (George, 2009). The psychological contract also builds upon statements and promises that both parties make in entering into an employment contract (CIPD, 2010). The psychological contract begins before both parties enter into an employment contract and also develops all the way through the employment contract. As the relationship between the employer and employee gets stronger, the psychological contract grows, and it becomes tampered by both time and experience (Mastroianni, 2012). Nevertheless, the psychological contract is functional only if it is consented to on a voluntary basis and it is also useful in enlightening what other rewards employees may expect to receive in return for continued services rendered (Mastroianni, 2012). The psychological contract consists of two types of contracts namely the relational and transactional mental contract (Baker, 2014). The abovementioned two types of spiritual agreements are outlined in the following segment.

The transactional psychological contract is often related to careerism, lack of trust by employees in their employers and it is also regarded as a short-term contract in nature (Baker, 2014). The transactional deal is also related to McGregor's Theory X as its main aim is to keep

employees for extrinsic reasons so that they stay within the organization for an extended period rank (Kiazd, 2010).

The relational psychological contract focuses on the social exchange of the organization, and it is regarded as long-term in nature (Kiazd, 2010). The relational contract is also linked to McGregor's Theory Y as it plays a role in a participative management consisting of intrinsic reasons (Baker, 2014). Lastly, the transactional contract is associated with trust and the belief in the values of employees to work for something more than financial reasons (George, 2009). According to Rosseau (1995), the psychological contract consist of five phases of contract formation and they are outlined as follows

- Pre-employment: The initial employee expectations may be influenced by their previous employment relationship or information gathered about the current positioning.
- Recruitment: Communication between the employer and employee and the promises they make to each other during the recruitment process.
- Early Socialization: Promises made by both employer and employee continue when both start to search one another through multiple sources.
- Later experiences: There are changes in the psychological contract. At this stage, the promise and exchange of information are no longer valid, and the employee is no longer considered new.
- Evaluation: The existing psychological contract is evaluated and is determined by both parties whether there is need to revise the terms and conditions of the contract. Working conditions, incentives, and cost may be part of the facts that have to be changed.

According to Statt (2000) failure to meet employee's expectations might result in a breach of the psychological contract between the employer and employee. The following section outline the breach and violation of the psychological contract.

2.3.1 BREACH OF THE PSYCHOLOGICAL CONTRACT

Psychological contracts are based on promises between the employer and employee. A breach of the mental contract occurs if the employees recognize that their employers have failed to deliver on what was promised, or *vice versa* (Conway & Brinner, 2005). Employers or

employees who feel that their promises are not fulfilled are likely to respond negatively and this culminates in lack of trust between the two parties (Inkson, 2006). A breach of contract may occur when changes made by employers within the organization do not benefit employees and responses by employees may include mistrust and low productivity (Branham, 2012). The breach of contract may be reduced when employers understand and also respect the commitments of employees (Philips&Gully, 2012). The negative responses from the employees generate a negative tension between the two parties and often result in psychological contract violation (Levitt & Harwood, 2010).

Perceived psychological contract violation is built upon employee's feelings of disappointment ranging from small frustration to betrayal, and they are based on a perception of broken promises that were made by their employers (Conway & Brinner, 2005). When employees feel that the obligations which were made to them by employers are not met, they become emotional, bitter and also put tools down which results in a feeling of violation (Guest, Isakson and De Witte, 2010). The term violation has been linked to behavioral results such as low performance, less commitment and lack of trust (Guest et al., 2010). The relationship between employer and employee becomes less trustworthy when the psychological contract is violated and when promises are not delivered (Statt, 2000). Different reasons can cause infringement, for example, execution rewards methodology that was not accurately taken after for advancement. Nevertheless offence relates to the faith that employees have towards their employees, and it occurs when employees feel that they are being mistreated by their employers (Gollan, 2007). As employees think that they are betrayed, anger may push them to do unlawful things (Guest et, al., 2010).

According to Gollan (2007) violation of the psychological contract contains many consequences, not only strike actions. The results of a breach of the mental contract are outlined as follows:

- Voice: This is whereby one party that has a grievance will voices out his or her problem. By voicing out their feelings it helps both parties to understand the problem and also avoid losses that may happen and reconstruct trust between the two parties.

- Exit: Exit is regarded as the last stage when an organization or employee has to deal with contract violation. In this case, employers can fire or retrench workers due to low productivity; on the other hand, employees can decide to resign. An employee will choose to leave an employer's organisation based on the treatment and untrustworthiness of their employers.
- Silence: Employees may decide to be silent and not voice out their problems hoping that their employers will realize that and come up with strategies to solve those relationship problems.
- The way in which employers run their recruitment process also influences the psychological contract violation (Bussin & Spavins, 2009). For instance, people who are looking for jobs will take into account what was written in the advertisement and create their expectations based on that, so it is vital to state all requirements such as salary, benefits, and responsibilities in the advert (Bussin & Spavins, 2009).
- Overall psychological contract violations are caused by unmet expectations and lack of job satisfaction of employees (Guest, 2004). Various authors in the abovementioned section state that a psychological breach is caused by undelivered promises, which indicates that expectations play an important role in psychological contract violation.

2.3.2 EXPECTATIONS

When an employer and an employee enter into an employment contract, they both have specific expectations towards one another, for instance, performance rewards and various incentives (Guest, 2004). These expectations begin in the recruitment process when employees apply for an advertised post and at the back on their minds those employees have certain expectations derivative from or accompanying the post that they would have applied for, whether realistic or unrealistic towards their employers (Banfield & Kay, 2012). There are two types of aspirations namely extrinsic and intrinsic expectations (Guest et al., 2010).

Intrinsic expectations focus on the personalities of people and also include the employee's beliefs within the organisation. An intrinsic expectation entails what an individual wants to achieve in the long or short term within the organisation (Hanna, 2007). Intrinsic expectation includes training and development, giving employees challenging work and also giving employees a chance to participate in the decision-making processes of the organization (Hanna, 2007).

As intrinsic expectations deal with the inner part of a person, the extrinsic aspirations deal with the externalities part of an individual and also what an employee explicitly expects from his or her employer. In this matter, extrinsic expectations refer to tangible things, for example, access to a company car, a carpeted and decorated office with air conditioning and a few things that other employees do not have in their offices (Isakson, 2006). According to Rosenthal (2012), the extrinsic expectation is classified into two categories, namely monetary and also non-monetary rewards. Employees believe that it is their right for them to receive financial rewards from their employers. Monetary awards include car allowance, performance bonus and medical aid and some form of holiday allowance for instance (Anderson, 2003). Rosenthal (2012) states that non-financial rewards make employees feel recognized in the working environment. Rosenthal (2012) further states that non-financial rewards include furniture in the office and private parking of an employee. According to Gollan (2007), the recognition that employees get from their employer is more significant than their salary and for their self-esteem since such recognition makes them feel important within the organisation.

Besides the two types of rewards, there are other motivating expectations such as recognition, security, and growth (Branham, 2012). Indeed, even an understudy in college who does well in class need to feel recognised for the diligent work he or she puts in the examinations; and the same principle applies to employees (Branham, 2012). Employees will require recognition from the employers; and this recognition will increase commitment and loyalty to the working environment (Banfield et al, 2012). The second motivating factor is growth: employees like to be developed and be included by their employers to participate in daily decisions of the organisation so that they can assist with innovative ideas that could take the organisation to the next level (Isakson, 2006). The last is security: everyone wants to feel safe at work, so it is vital for employers to provide a safe working environment (Hanna, 2007).

Employee demands also form part of their expectations, whereby in most cases employees will state that they have families and outside work activities that they consider very important (Boxall & Macky, 2009). On the other hand, employers have obligations to investors, stakeholders and the targeted goals of the organisation (Boxall et al., 2009). Some of the employee demands are unrealistic, and management will be unable to give in to those demands (Boxall et al, 2009). Employers are most concerned about profit and investors within the

organisation, rather than finding various ways to avoid strikes that they may arouse due to unrealistic employee demands (Isaksson, 2006). On the other hand, if employers always give in to employee demands, employees must expect retrenchments within the organisation as employers would no longer be able to pay salaries to some of its employees (Geels&Raven, 2006). Even though it is difficult to avoid strikes and retrenchment in various organisations, employers need to ensure that they come up with management expectation strategies (Anderson, 2003). Providing employees with training can be a vital way to manage expectations within the organisation and can contribute in avoiding unrealistic expectations from employees (Geels et al, 2006). Although Maslow's hierarchy of needs is used as personal psychology tool, employers can use it to manage employee expectations within the working environment (Armstrong, 2006). Maslow's hierarchy of needs consist of the following:

- Basic needs are the lowest of Maslow's hierarchy of needs including basic things like food, clothing and rest. If a job that was granted to employees by their employers pays well, employees will be able to satisfy their needs and wants.
- Safety and security: Employees should always feel safe within the working environment. This extends to the need for employers to ensure that sexual harassment policies are implemented and taken into consideration. Employers must communicate with their employees if the company has to retrench some of its employees due to low profits and low production.
- Belonging and love: Employees should always feel free and comfortable when they are around their employer and other staff members. In this case, if an employee feels unloved, such feelings could engender low productivity.
- Self-Esteem and Self-Actualization: Employees tend to change careers if their current jobs do not satisfy them. However. On the off chance that a worker is working in the right activity for him and every single other need is met, he ought to have the capacity to feel like his activity fulfills his highest needs When employees feel recognised by their employers, often this results in high productivity. Unrealistic expectations from employees lead to low production and profit, and due to this employers find it difficult to retain its talented employees (Anderson, 2003). It is essential for employers to look into various ways in which they could attract and retain skilled employees, including the most significant which are talent management, and talent retention that constitute the driving force for every organisation (Inkson, 2006).

2.4 TALENT MANAGEMENT

Talent management began in the 1990s, and its focus was based on senior leaders, meaning employers within the working environment. Talent management is defined as a process mainly used by the human resource department in different organisations to attract and develop existing employees and new entrants (Yamamoto, 2009). According to Yamamoto (2009), talent management also motivates employees by giving them training which will encourage employees to stay within the organisation for a more extended period. Demirbag, Glaister, and Tatoglu (2015) suggest that talent management is a process used by management to recruit, develop, attain, retain and identify employees who have talent within the working environment. This view is also confirmed by Lewis and Heckman (2006) who state that management view talent management as a part of progression planning; whereby the importance of talent management is to develop employees and to ensure that they secure current and future skilled employees. The same researchers further state that management should know their future human resources needs, identify talent within the workforce and lastly train within the organization to avoid recruiting from outside. Sparrow and Makram (2015) further outline that promoting personnel within the organisation saves the cost of advertising and also the time for induction as those employees are already used to the current working environment. The principal objective of ability administration is to produce a viable workplace, propel and urge representatives to be superior workers who guarantee that authoritative goals are achievable (Deloitte, 2005).

According to Armstrong (2009) talent management consists of the following management processes:

- Accepting the requirements: In this stage, the employer will have to develop a job description and job requirement for the employees.
- Tracking the talent: the employer will search for people according to the provisions of their job descriptions.
- Attracting talent: The primary purpose of talent management is to ensure that employers hire the best talented employees.
- Recruiting talent: This recruitment begins through advertisement by the organisation, where a qualified person is needed to fill in a specific space.

- Choosing the talent: This is a process whereby the Human Capital Department receives a lot of applications from aspiring candidates, all with different qualifications. Candidates who meet the job description are then trained and developed, but this can only be done after the induction process.
- Training and development: After the interview process the successful candidate will be developed to provide the necessary skills to do the specific job.
- Retention: Employee retention depends on various aspects such as packages, individual growth and also how diversity is managed within the working environment. Employers are advised that not only money can retain employees, but excellent communication and other recognition factors can keep the best talented employees.
- Promotion: Employers will have to promote employees because no employee can be allowed stay in the same position for an extended period.
- Progression planning: The employer will have to groom young upcoming generation, train them and also associate them with old employees. The progression plan will assist the employer when some employees go on pension or have an early retirement.

Talent management is an essential tool for the achievement of organisational goals. To understand the importance of talent management in both private and public sector, one has to understand the background to talent management. According to Dries (2013) there are two types of theories, namely Adam's Equity theory and Affect Theory. These two theories significantly assist employers on how to manage talent within the working environment. Adam's equity theory states that an employee's belief that their payment (salary) should be according to their qualifications that the employees have and must go hand in hand with the type of job that they are required to perform in an organisation (Dries, 2013). This theory further outlines that when employees feel that their employers underpay them, it can lead to low performance, strikes and employees will think that the efforts they put into their performance are not appreciated by their employers (Armstrong, 2009). Affect theory deals with what employees expect from their employers and it further illustrates that employers need to hire when there is a need or space that needs to be filled (Armstrong, 2009). Both of these theories are vital components of talent management as they assist employers to retain the best talented employees, and furthermore, they look into different aspects of talent management (CIPD, 2007). Employers should not only have policies that govern the organisation for instance misconduct policy but they must ensure that talent review processes are an intrinsic part of the organisational procedures (CIPD, 2007). Talent review process significantly allows

employers to gather information on what the employees need, for an example, training and advancement in their careers (Armstrong, 2009). Barlow (2006) states that once employers have implemented the talent review process their job will become more comfortable. For this situation managers will have the capacity to recognize provisos, opportunities that need to be promoted and in conclusion businesses will improve in getting ready representatives for future positions inside the association (Barlow, 2006). Talent review of an organisation will include establishing talent commitment and staffing where it the responsibilities of both employer and employees are outlined and specifically calibrated for performance measurement during their working hours (Cross, 2016). Cross (2006) further states that employers must share relevant information with their employees for the latter to gain knowledge and also engage in the talent review plan process of the organisation (2006). According to Cartwright and Cooper (2009), talent review processes consists of various ways on how to manage expectations of employees in an organisation, and they are outlined as follows:

- **Honesty:** Both parties must be honest with each other when setting expectations. This will help to avoid unnecessary expectations that may arise, causing breach and violation.
- **Accountability:** Employer and employee should take responsibility for their actions. If one did something that does not go according to the policy of the company he or she must account, even if that particular person is at the senior management level.
- **Transparency:** There must be transparency within the organisation, compelling both parties to reveal information that is needed. Employers must be transparent in everything that they do within the organization. Annual feedback must be given to employees whether the company is making a profit or not. Talent review process forms part and parcel of talent retention as the primary aim is to assist employers in keeping the right talented employees within the organisation and also in managing employee expectations (Cartwright et al, 2009). Talent retention is outlined in the following section.

2.4.1 TALENT RETENTION

Talent management is a broad concept which includes recruitment, selection, placement and retention (Capelli, 2009). One of the retention strategies that employers use is employee bonuses (Hendricks, 2006). Employers also pay allowances based on the working experience of their employees (Graig, 2014). Research findings in the field of human resource sciences

and organizational psychology suggests that talent management is the heartbeat of every organisation, and an employer who considers talent control can achieve their organisational goals and objectives (Hendricks, 2006).

Attraction and retention forms part of talent management and no organisation can run properly without these two elements, so it is vital for employers to have unique retention and attraction strategies in place (Bussin et al, 2009). To attract and retain employees, managers need to know what motivates their employees within the organization (Bussin et al, 2009). According to Pitiris (2009), the most successful organisations such as Microsoft and General Electric, spend more time on retaining and embarking on training and development opportunities for their employees. According to Hendricks (2006), employee retention is a process that is used by employers to attract new entrants to join the organisation and also ensuring that existing employees stay within the organization by giving them motivation and even training skills that they need.

Employee retention entails four phases which are recruitment, job description, selection and induction of new employees. These phases make up the retention strategy of a company (Bussin & Spavins, 2009). Employers view employees as valuable assets to the organisation (Bussin *et al.*, 2009). Employee retention is a difficult job, and it needs an employer who leads by example, encouraging teamwork, accountability and having a proper reward system for the organisation (Bussin et al, 2009). George (2009) states that retention is not only the duty of the human capital department but everyone who forms part and parcel of the employers' organisation should participate in the retention strategy of the organization.

Even if an organization has a retention strategy, pays very well and provides training programmes, employees will leave the company if the employer does not treat employees with respect (Bussin *et al.*, 2009). According to Burns and Grooves (2003), there are other retention strategies that the employer can use besides salary increment. Better rewards and good flow of communication means the employer must reward employees fairly and also provide bonuses for hard working employees (Burns et al, 2007). The second retention strategy is feedback: management should strive to give feedback to their employees based on the company progress on whether the organisation is making a loss or profits (Jacobs, 2007).

The third strategy that employers can use is training; employers must provide the employees with training. Training assists employees in determining whether they are on the right track based on the career they chose and the work they are performing within the organisation

(McDonnell, 2011). The last retention strategy is called “give an ear to the employees.” This means management must not always take a decision on their own but involve staff within the organisation (Kusluvan, 2003). A suggestion box could be placed in the reception area so that employees give their views about management, how other matters are handled and whether they are happy or not. Besides a suggestion box occasionally administration must have a meeting with their employees where questions are asked and answered. A suggestion box assists in control on where they need to improve and put more effort to retain their employees (McDonnell, 2011).

Remuneration is also a tool that organisations use to retain their employees, but the problem arises when companies compete on the remuneration issue (Armstrong, 2009). Hendricks (2006) argues that if employers increase the employee salary rapidly, at some point, they will not be able to pay their workers, the reason being the employee representatives will request more. Hendricks (2006) further states that people leave the organisation or strike for so many reasons besides money. The abovementioned statements are supported by research conducted by Perman (2008) who says that if employees feel unrecognized and their employers do not show appreciation, employees will leave the employers’ organisation. The study conducted by Perman (2008) also outlined that flexible hours and work-life balance ought to also be used as a retention strategy.

If employers show appreciation to their employees for the job performed and are also willing to find out about their careers, that way they are able to retain employees within the organization (Mello, 2006). Pitiris (2009) states that not only money nor incentives can keep employees, but just the word “thank you” for the hard work that the employee has shown to the organisation can retain the employees. He further states that if an employee had a long day trying to meet a deadline, an employer could give a day off and by so doing an employee will feel appreciated and valued.

Salary is an essential aspect of the employees as it helps them to satisfy their needs and desires. Nevertheless, employers must look at different retention strategies such as working conditions (Mello, 2006). For employers to attract and retain employees, they need to make retention, training, and development of employees their priority (Pitiris, 2009). Pitiris (2009) also adds that leadership style portrayed by the employer also has an impact on employee retention, the manner in which employers conduct themselves towards employees determines whether or not employees will continue to work within the organisation. Wage negotiations also form part of

talent retention within the employers' organisation; and three parties are involved in wage negotiation processes namely employer, trade union, and employees (Hendricks, 2006).

According to Chen (2008), wage negotiation is a process used to resolve disputes between the employer and employee. Since bargaining is not an easy process arguments, are inevitable, but at the end of the day, a conclusion must be reached (Lawler, 2008). According to Lawler (2008), negotiation consists of six stages namely preparation, discussion, clarification of goals, negotiation toward the win-win game, agreement and implementation of the action. The six steps are outlined as follows:

- Preparation: Before the beginning of wage negotiation, a lot of decisions need to be taken by both parties, decisions like where the negotiations will take place and also the problems that need to be addressed. The chairperson of the meeting needs to be contacted prior to the onset of the negotiations. The negotiations need to be perceived as operating within an organisational framework, as every organisation has its own rules and regulations, and one decides to break one of the statutes, there will be steps taken against that particular person. Going through this process helps to avoid conflict between two parties and also wasting time discussing matters that were not listed on the agenda.
- Discussion: During this discussion phase includes skills, various questions that will be asked by both parties and listening and clarifying facts when parties do not understand them. It will significantly important for parties to take notes while in the meeting, and every side present at the negotiation meeting to have an equal opportunity to present their case.
- Negotiation towards a win-win outcome: Parties will have to compromise on certain things, even if disagreement arises, but parties will have to reach an agreement.
- Agreement: It is vital for both parties to participate in the discussion; any deal needs to be clarified so that both sides are informed and know what to decide.
- Implementing a course of action: From the negotiation, strategies will have to be identified on how both parties are going to tackle the issue and also must be specific aims and objectives. Even though a trade union's primary responsibility is to ensure that employees are rewarded justly and treated equally, on the other hand, trade unions have a negative impact on wage negotiation issues as employees depend on their final

word (Chen, 2008). Even though negotiation process can take more time, but at the end, an amicable conclusion must be made by both parties involved in a negotiation process.

2.5 CONCLUSION

In this chapter four concepts were discussed namely: psychological contracts, expectations, talent management and talent retention. It is clear that employers face difficulties in attracting and retaining the most talented employees. Most of the researchers cited in this section agree that retention strategy is essential to any organisation, but retention strategies must not only include incentives and training opportunities; rather they must also include how managers treat their employees. It is clear that employers should be specific about the job description and also what they expect from their employees and these facets must begin in the recruitment phase. Literature also suggests that employers can retain their employees even if they do not increase their salaries regularly. The following Chapter 3 focuses on research methodology.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The previous chapter outlined the literature related to talent management (talent retention), the mental contract and also the desires anticipated in the worker contract. This chapter provides an emphasis on how the study was carried out to ensure genuine insights into the topic at hand. The primary focus of this chapter lies on the research design, population, sampling and information collection techniques used to collect data from research participants. Finally, the aspects linked to the quality of the research and research ethics are addressed.

3.2 RESEARCH PHILOSOPHY

A research philosophy gives sufficient background of the study and also provides some reasons why the researcher chose a specific research method for the study (Morgan, 2007). This study explored the psychological contract in the mining sector and also interrogated the constructs associated with talent retention. In order to meet the abovementioned research aim, it was vital that both the employer (management) and employees in the mining environment participated where their personal views regarding this topic were captured. The researcher used the community paradigm because it allowed assumptions to be developed based on the individual opinions of the respondents (Silverman, 2011). A community paradigm is a structure that is derived from the beliefs of a particular community, and it gives the background of what type of the population is investigated (Morgan, 2007). Both employer and employee gave their subjective views about the research topic. The researcher used interviews to conduct the research participants, as discussions were the best choice for this research. The conversations that the researcher held with the participants elicited all the relevant information, as the researcher was able to observe and categorise the facial expressions of participants in answering the questions.

3.3 DESCRIPTION OF INQUIRY STRATEGY AND BROAD RESEARCH DESIGN

3.3.1 Data collection and storing of data

Data in this study was collected through means of semi-structured interviews and focus groups interviews. A trained analyst transcribed the audio recordings of the data and collated these

into various electronic media for preservation and analysis. The researcher also took notes during the interviews regarding the respondent's non-verbal communication.

3.4 Interviews

The researcher used interviews for this research. An interview in this regard is a meeting characterised by verbal questioning, as two parties are involved in a conversation. The researcher introduced this discussion to gain accurate information for the study (Trochim & Donnelly, 2008). These same two authors further outline that interviews consist of two functions, namely description and exploration. Report means that the interviewer spends time with participants, where the person conducting the discussions identifies the feelings, attitudes, and reactions of the participants. At the same time, the interviewer had the chance to probe participants in-depth for additional information wherever necessary and strove to make that information meaningful. Exploration interviews provide inside information and adds special dimensions to the problem investigated. Interviews were conducted, and the data collected by the researcher was transcribed to identify themes. This study focused on deriving significant themes from the semi-structured qualitative interviews.

3.4.1 Advantages of interviews

Interviews keep focus; the interviewer, in this case, maintained order and focus during the meeting. The interviewer further elaborated on specific questions and procedures that the participants sought to clarify. Discussions enabled the interviewer to gather more information and dig deeper, and ultimately provided comprehensive details on personal feelings (Boeijs, 2009).

3.4.2 Disadvantages of interviews

Different interviewers may have their different ways of understanding and also transcribing data. The sample size of this study was limited to one mine in the Rustenburg area, North West Province of South (Boeijs, 2010).

3.4.3 Interviewing techniques

The researcher used two types of interview techniques which are grounded theory and critical social research. Grounded theory is the observation which was developed from various data

sources, and it also includes interviews, remarks and even a review of records. The critical social analysis is often used by the researcher to comprehend how individuals communicate and it gives the researcher a clear way to interpret what is said by individuals in the interview (Tracy, 2012). The researcher during the interviews that were conducted at the PPC Slurry near Mafikeng observed dramatic, explicit and implicit facial appearances of respondents when they were answering the questions.

3.5 FOCUS GROUP INTERVIEWS

The researcher also conducted focus group interviews. The FGDs were constituted in the form of group discussion made up of six to 10 respondents (Liamputtong, 2011). Focus group interviews are unstructured interviews because the researcher can add a question that did not form part of the conversation to gather more information based on the perceptions and opinions of the respondents (Kamberelis & Dimitriadis, 2013). Focus groups interviews were completed by respondents recruited by a particular employer (May, 2002). Advantages, disadvantages, and techniques of the focus group interviews are outlined as follows:

3.5.1 Advantages

Focus groups interviews save money and they are less time consuming compared to individual meetings. Focus groups interviews also provide the researcher with a broader range of information, and they are vital in that they give the researcher detailed information about individual and group feelings (Litosseliti, 2003).

3.5.2 Disadvantages

Focus groups interviews are influenced by one or two people who contribute more than the rest in the discussion and the environment in which the research is conducted might negatively affect the quality of research results. Focus group discussions, in a matter dealing with sensitive topics, are not entirely adequate mechanisms for data gathering as the sensitivity of the issue might affect the disclosure of such (Litosseliti, 2003).

3.5.3 Focus groups techniques

There are various focus group interview techniques, but the researchers in this study used the following ones as outlined below:

Member selection: Focus group interviews consist of six to ten people who share the same characteristics or experiences on a specific field of interest to the researcher. The interview session should not last more than two hours, as respondents or participants commonly get exhausted and also lose interest in the interview (Metron, 2007). The researcher should choose an environment that is neutral. In this study, the researcher was given a boardroom to conduct focus groups interviews, and respondents were free to answer the research questions posed.

Discussion techniques: The researcher posed the same questions to the respondents and kept the discussion flowing by creating a relaxed atmosphere through light-hearted moments such as making jokes just to ease the minds of the respondents. Besides that, the researcher ensured that the discussion stayed broadly on-topic (Belk, 2006).

The recordings of the interviews and notes collected by the researcher through the conversations of both employees and employers in the selected mine served as raw primary data. The most vital component in this section of data analysis is the identification of general themes for the experiences of the respondents. The process that was used to group themes is reflected in Figure 1.

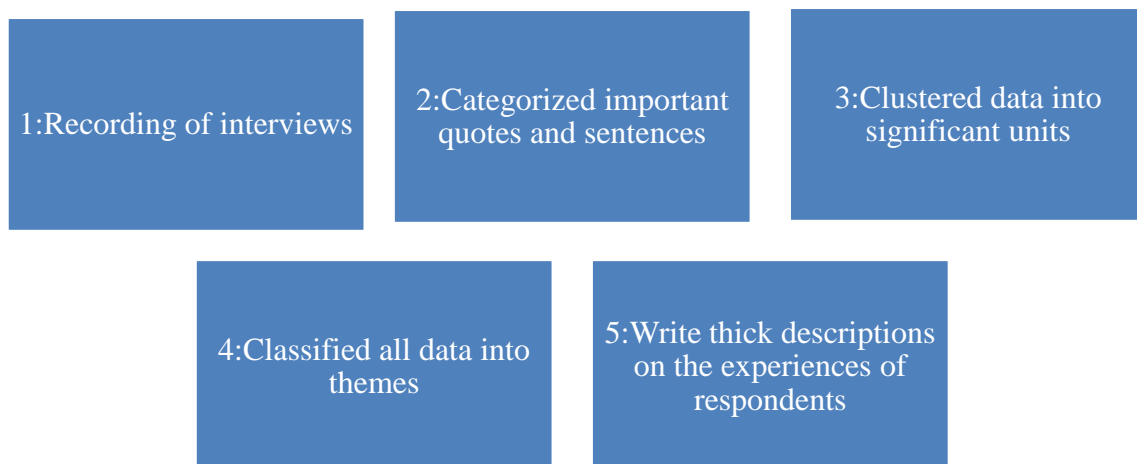


Figure 1: Processes followed by the researcher for data analysis

1. All interviews conducted by the researcher were recorded.

2. Essential quotes and statements related to the study topic were identified and written down by the researcher.
3. Those quotes and sentences were grouped into meaningful units.
4. After the statements were grouped, various themes were identified.
5. The researcher described the respondents' experiences and related them to the specified themes, (Creswell, 2009).

According to Tracy (2012), qualitative research methods entail significant and specific characteristics outlined as follows.

Natural setting: The researcher conducts qualitative research through interviews and data collected in the place where the research was done. In this case, participants answer questions asked by the interviewer through face-to-face meetings. In this study, the respondents were interviewed within a mining environment.

Researcher as a primary instrument: The researcher collected data through interviewing the employer and employee and also observing their behaviour when answering the questions asked by the interviewer.

Inductive data analysis: Qualitative research has inductive strategies for analyzing data. Themes, patterns are designed and constructed by the researcher from the data collated. In this study, the subjects were identified after all the interviews were conducted. The outcomes and discoveries emergent themes of this examination are legitimate to the particular researched condition, which in this study is the mining segment sector in the Rustenberg area, North West Province.

Explanatory: Researchers using qualitative methods are subjective as background and past influence their findings and explanations. The results should be seen as an interpretation of what researchers see, hear and also understand during the interviews session (May, 2002).

Respondent's views: A questionnaire limits the views of the respondents, but an interview does not. During the interview process, the researcher did not allow her opinion or literature to influence the results of the study. After the discussions, all participants were asked to check and ratify if the data collected from them was an accurate reflection of what they said.

Various sources of data: Qualitative research is broad, and it does not rely on one procedure of data collection. The researcher observed the behaviour the respondents while conducting the research. The data collected by the researcher was transcribed into themes that emerged during the interviews, and the researcher also kept some notes describing the non-verbal behaviour of respondents. The records were used as additional data sources.

3.6 RESEARCH DESIGN

Qualitative research entails various methods, but the researcher used a phenomenological design in this study. The phenomenological approach tries to relate and understand the views of the respondents based on their personal lives (Creswell, Hanson, Plano & Morales, 2007). This type of method investigates a specific problem that needs to be addressed. The researcher chose this design because it was relevant to the study topic and it also gave the respondents a chance to give views about their past experiences. The researcher then collected data from the employer (management) and employees, and analysed the data by looking at the similarities and differences provided in the data collected. The purpose of the phenomenological design enables the researcher to understand what is like to experience the problem that the respondents in the study experience (Bhattacharyya, 2006). The researcher did not focus only on the information that the respondents gave, but the researcher also on the other side looked on how the respondents reacted while answering the questions. The researcher did not only listen to the audio recordings of both interviews once, but twice. Before analysing the information gathered into themes, the researcher went back to the specific mine where data was collected to verify if the information on the audio recording was correct. A form was given to all respondents that participated on the research to sign on whether they agree upon on what is on the audio recording, and that they were not under duress, when interviews were conducted by the researcher. After the procedure, the researcher continued with analysing the data, as collected was verified and was creditable.

The researcher made use of Moustaka's psychological phenomenology approach. In this framework the researcher plays a vital role in the study as he/she needs to screen the viewpoints and thoughts expressed by the respondents (Horrocks & King, 2010). This study focused on exploring employee retention by controlling expectations and also understanding the mental contract of employees in the mining sector.

The researcher followed the procedure of Moustaka's recommendations for conducting phenomenological research (cited in Creswell et al., 2007).

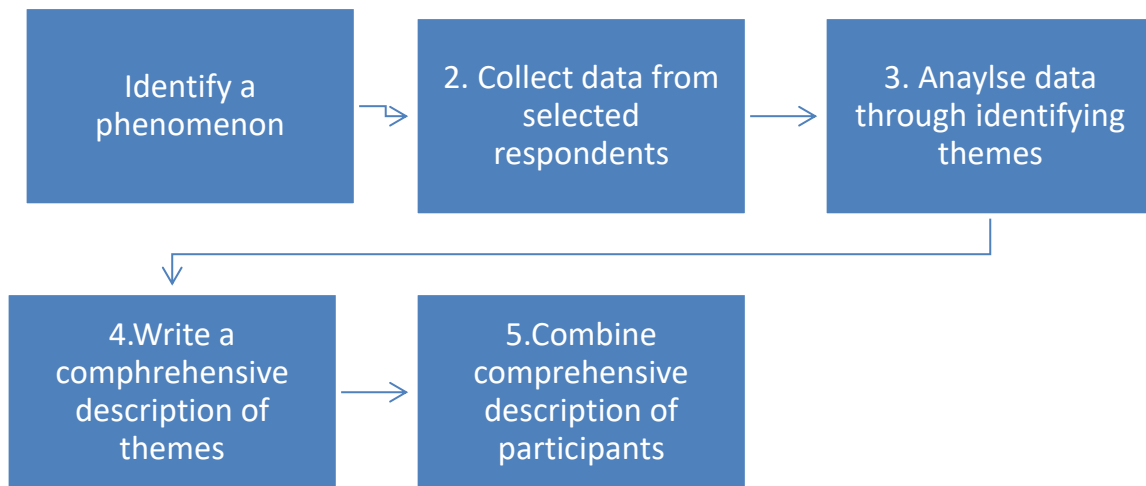


Figure 2: Phenomenological method adapted from Moustaka (2006) and developed by the researcher

The flow chart clearly maps the strategies adopted in the study and it was a productive engagement in the research process.

3.7 SAMPLING

Sampling occurs when the researcher selects a few respondents from a larger group, called the population. The sample was used for calculating the frequency of the results (Khan, 2008). Sampling is more concrete in determining the rate of the community, because the researcher does not have to collect data from everyone in the selected organisation (Wengraf, 2001). The researcher chose management to answer relevant interview questions (only those qualified and more experienced on the field). The nature of the meetings was voluntary. The total number of the participants was 13. The researcher selected these participants because they were capable of responding to the specific questions set out at the onset of the study and had experience in the mining sector. Both genders (three males and three females) were represented equally to

avoid any bias based on gender. The first (1st) participant was a male, and he holds a degree in financial accounting, and he held the position of finance manager. The second (2nd) participant was also a male, holding a master’s degree industrial psychology, and he is the head of Human Resources Department. The third (3rd) participant was a female and holds B Tech degree in engineering; she is a clerk in the Department of engineering. The fourth (4th) participant was a female and holds a Diploma in Safety Management as a safety manager. The fifth (5th) participant was a male holding a Master’s in Human Resource Management and Diploma in Safety Management, position: Head of mining. The sixth (6th) participant was a female holding a Diploma in Logistics, and she is a logistics manager.

The second part of the interview was done with participants drawn from seven employees who were interviewed in a focus group. Focus groups discussions are one-on-one discussions with small groups, (Stewart & Shamdasani, 2005). A boardroom was organized for the conversation to take place. Employees were given cards with numbers for the sake of anonymity and non-disclosure of participants’ identities. Only seven questions were asked of these participants and their answers were recorded. When a question was posed to the participants, they each stated their card number, and the interviewer gave the participant an opportunity to respond. The first (1st) participant was a white female and holding a grade12 qualification. The second (2nd) participant was a black male, and he is an artisan. The third (3rd) participant was an Indian female, and she was a boilermaker. The fourth (4th) participant was a black male working as a truck driver. The fifth (5th) participant was an Indian male and holds an N6 mechanical engineering certificate. The sixth (6th) participant was a white male working as an artisan. The seventh (7th) was a black female, and she is an administrator (grade 12), holding a computer certificate. A breakdown of participants is presented in Tables 1 and 2.

Table 1 and Table 2 provide a detailed breakdown of the demographic characteristics of both employers and employees who participated in the study. The letter (P) is an abbreviation of participants, and the (Q) abbreviates the qualifications held by the participants.

Table 1: Employers Demographics

P	Gender	Race	Age	Q	Occupation
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1	Male	White	39	Financial accounting	Finance manager
2	Male	Black	51	Masters in industrial psycholog y	Head of Human Resource Department
3	Female	Black	22	B tech engineerin g	Engineering clerk
4	Female	Coloured	32	Diploma in safety manageme nt	Safety manager
5	Male	Indian	58	Masters in Human Resource Managem ent(Labour relations), Diploma Safety manageme nt	Head of Mining
6	Female	Indian	26	Degree in Logistics	Logistics manager

Table 2: Employees demographics

P	Gender	Race	Age	Q	Occupation
----------	---------------	-------------	------------	----------	-------------------

1	Female	White	45	Grade 12	General worker
2	Male	Black	39		Artisan
3	Female	Indian	24		Boiler maker
4	Male	Black	50	Grade 10	Truck driver
5	Male	Indian	32	N6 mechanical engineering	Engineer
6	Male	White	28		Artisan
7	Female	Black	40	Grade 12 (Computer or certificate)	Administrat

3.7.1 Target population

The target population in this study was both employees and employers working in the mining sector in the North West Region. The mine is situated in Rustenberg, near Mafikeng. The researcher chose a sample population from this population.

3.7.2 Unit of analysis

The unit of analysis was management (representing the employer) and employees working at a mine in the North West Region. The study sample was selected from this mine.

3.7.3 Data source

Both employers and employees selected for the sample served as the data sources. Data was collected from both employers and employees in the mining sector during the interviews and focus group discussions. The researcher collected data during sessions, and participants were guided by the interviewer, and they were asked similar questions. The semi-structured interview aimed to elicit relevant information on retention in the mining sector and also identify expectations from both parties to the employment relationship. The second part of the

discussion was done in focus groups, and this process took two full days. Secondary data gathered from relevant literature was also used to provide insight into the primary data collected and also assist in interpreting the data collected.

3.7.4 Sampling technique

The researcher selected individuals that she felt would be the best to provide adequate responses to answer the research problem accordingly. The respondents in this investigation were chosen in light of their obligations and affiliation to the mining venture. The sample was therefore a purposive one. Qualitative researchers in most cases use a non-random sampling or purposive example to select respondents who respond to the questions and also provide relevant information (Leedy & Ormrod, 2010). Purposive sampling is less time consuming and also inexpensive because the researcher only uses a recording device rather than printing and distributing questionnaires (Maree & Pietersen, 2009)

3.8 PRIMARY DATA COLLECTION METHOD

3.8.1 Data analysis

This study investigated employee retention by controlling expectations and also understanding the psychological contract between employers and employees in the mining sector. According to Klenke (2016) qualitative data analysis is divided into six various components, and they are outlined as follows. The researcher reads, interprets and makes sense out of the data received; rewrites and prepares the data in order to analyse it; performs various analyses; tries to relate the data to the relevant literature, demonstrates the final data and finally the researcher gives the results of the data collected and also attaches meanings of such data. The data analysis process followed in this study are outlined in the following Figure 3.

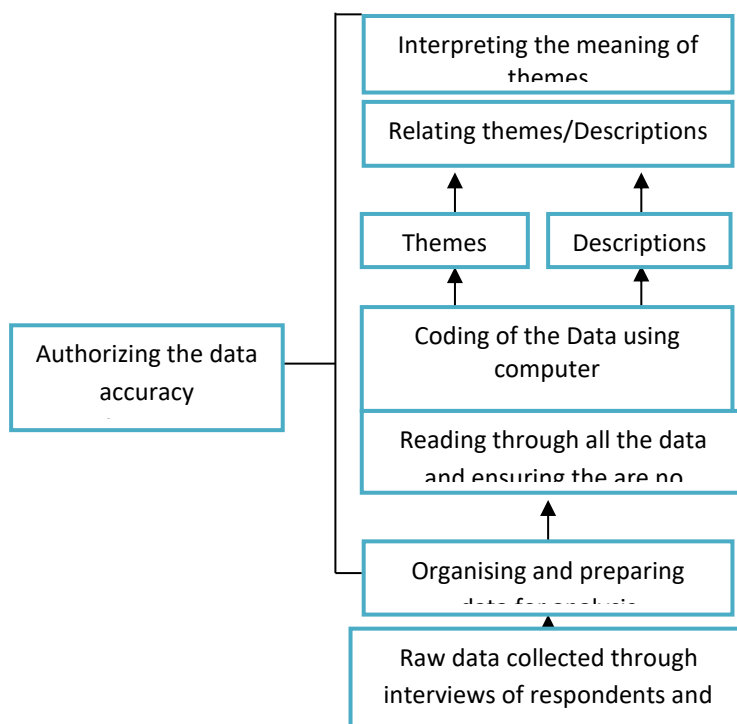


Figure 3: Process followed: Adapted from Creswell (2009)

3.8.2 Data verification

Interviews were conducted in English, which is regarded as the language used in the organisation. To prevent the loss of meaning the recording of the meetings were sent back to all respondents who participated in the meetings. The researcher followed this process to avoid misunderstandings that occurred during the discussions. The procedure developed by the researcher increased the validity of the data as respondents confirmed that the recordings were an accurate reflection of the conversations.

3.9 RESEARCH ETHICS

Research ethics provide the proper background within the researcher operates when conducting research. Respondents shared their confidential information with the researcher, and it was the researcher's obligation to assure respondents that the information remained private and

confidential. Ethical considerations which are relevant to the study are discussed in more detail below.

3.9.1 Informed Consent

The participants granted the right to settle on their decision independently without coercion. The organisation approved that the study must be done and also participants were made aware of the process, and the participants made themselves available during the data collection process (Boeije, 2010).

The following aspects of informed consent were considered:

3.9.2 Informed consent

Any participants involved in any study have the right to choose whether they wish to participate in the research or not. To achieve this participant must be informed by the researcher on the risk involved, procedures and objectives of the study (Leedy&Ormord, 2010). The University granted the researcher a letter for the Research Approval.

3.9.3 Voluntary participation

No participant was forced to participate in the study, even if he or she is an employee of that particular organisation. A letter of approval that the researcher obtained from the organisation allowed people in the organisation to participate in the study.

3.9.4 Distribution of individual results

The results collected by the researcher were not made available to respondents. Nevertheless, all participants had access to the final research report. The research study was deposited in the University library for those with an interest to read (Packer, 2011).

3.9.5 Right to respect confidentiality and discretion

All data collected by the researcher is confidential. Privacy means that the identity of the participants personal information are not divulged (Packer, 2011).

3.10 CONCLUSION

In this part, a synopsis audit of the research plan and techniques was displayed. Data were collected through semi-structured and focus group interviews with seven (7) employees and six (6) employers in the mining situated near Mafikeng in North West Province. The transcripts were analyzed according to the different emergent themes. In the following chapter, the findings and the results collected from both interviews are presented and discussed in detail.

CHAPTER 4: DISCUSSION AND INTERPRETATION OF RESULTS

4.1 INTRODUCTION

This chapter presents the results obtained from following the research design and methodology discussed in Chapter 3. It also offers discussions and interpretation of results in relation to the purpose of the study. This qualitative study sought to determine the state of the psychological contract of employers in the mining sector and how employers could retain employees by controlling their expectations in the mining sector. Five themes were derived from both employees and employers interviews. This section generated five tables in order to categorise the emerging themes and subthemes.

4.2 SPECIFIC OBJECTIVES

- ❖ To determine to what extent the psychological contract affects employee retention in the mining environment.

- ❖ To determine to what extent employee retention could be controlled in the mining environment.
- ❖ To determine to what extent managers can control employee retention in the mining environment.
- ❖ To determine the outcomes of employee retention in the mining environment.

The qualitative results are reported and discussed by focusing on the specific objectives to which they relate. The result frequency table below is divided into sections, where the employers and employees' views points and themes are tabled. The accompanying table delineates issues that were recognized by workers and employers (supervisors) in the interviews and focus group discussions.

4.3 RESEARCH OBJECTIVE 1

The first research objective was to determine to what extent the psychological contracts affect employee retention in the mining environment. There were two central themes that relate to the research objective, namely employee demands and fair remuneration. Each central issue consists of subthemes, and these themes answer the research questions.

Table 3: Employee demands

Sub-themes	Frequency
Profitability	6
Investors	6
Strike Action	3
Retrenchment	3
Unrealistic demands	6
Total	24

Table 3 gives above gives the results of theme one, which answers research objective one which is employee demands. This is discussed in detail in the following section.

4.3.1MAIN THEME: EMPLOYEE DEMANDS

Employee demands refer to what employees expect from their employers. These demands can be unrealistic in some cases. For example employees in the mining sector were demanding a wage of R12500 per month, which employers regarded as an unreasonable demand (Wong & Wong , 2010). This employee demand was the most prominent theme that emerged from the responses (24 times). This theme includes the sub-themes such as profitability, investors, strike action, reduction in production, unrealistic demands and employee retention.

4.3.2sub-theme profitability

Profitability means how much the organisation makes on the products they sell or manufacture; it is like a price mark up. All of the participants highlighted that profit is one of the leading issues that compel management to refuse to give in to employees' demands. One of the participants emphasized this by stating:

“When employers are used to giving employees whatever they demand. When rainy times arrive whereby employers will be unable to give in to employees' demands those employees will demand reasons as to why they are not given what they requested from management” (P5, Male, Indian, Head of mining, Masters in Human Resource Management(Labour relations), Diploma in safety management).

“The problem is when you give a person one finger he or she wants to take the whole hand; which is exactly what is happening with these employees and the minute you give in to their demands they will expect the same thing next year” (P6, Female, Indian, Logistics manager, Diploma in Logistics).

4.3.3 sub-theme: investors

Investors are people who come from different organisations to buy shares and invest in a particular company. Each investor aims to get profit and if the company is making a loss investors pull out as the business becomes an unattractive investment for them, Barker, 2014) Due to high wage demand of miners of miners, 11 shafts were closed down by the employers (IOL, 2014).

4.3.4 sub-theme: strike action

Strike action was mentioned three times by the participants as one of the strategies workers resort to in order to voice their expectations. The workers indicated that this strategy becomes the only plausible means when management refuse to give in employee demands. A strike is a refusal by employees to work because their grievances have not been appropriately considered by management or there is a dispute between the employer, employee and employee representatives (Trade unions) Labour Relations Act (no. 66 of 1995). Some of the participants highlighted this by stating:

“It is not a good idea to always give in to employees’ demands because there will be a time that you as the employer cannot afford it anymore, those employees will embark on the strike as they are used to getting what they want. It means for every action you take as the employer you must be aware of the results, whether these will be negative or positive (P3, Female, African, B tech engineering).

4.3.5sub-theme: retrenchment

Retrenchment means cutting down on employees because the employers’ organisation cannot afford to pay them anymore, so the employers’ organization resorts to reduction as a tool to save the company. Respondents stated that by not giving in to the employees’ demands, they are protecting themselves from losing their jobs since some of their needs are unrealistic. Retrenchment was also mentioned three times. One of the participants highlighted:

“If employees keep on demanding more, then, in the long run, the employer will not be able to pay salaries, and it will result in retrenchments” (Participant 6, Female, Indian, Diploma in logistics logistic manager).

4.3.6 INTERPRETATION OF RESULTS

The findings showed that both employees and employers have certain expectations. The experience of previous employment generates these expectations, and some of these expectations are unrealistic demands from employees. According to the literature review, employers are still facing challenges of retaining employees (Wong & Wong, 2010). Failing to maintain employees in different organisations is caused by high levels of demands from employees. The literature indicates that different maintenance projects could be utilized to guarantee that workers remain inside the association for a drawn-out stretch of time

(Armstrong, 2006). The results in this current study indicate that employers' primary concern is profitability and luring investors. Six respondents (6) on the side of employees indicated that they make unrealistic demands from their employers. Unrealistic demands by employees lead to reduction in productivity and strikes that consequently have a negative impact of the psychological contract. An attack can lead to low productivity for an organisation and profit will decline because employees are not coming to work. Low profitability often results in employee retrenchments, as the employers will no longer be able to afford their salaries (Armstrong, 2006). According to Chen (2008), there are sure things that workers request different from salary compensation increases. Chen (2008) suggests a number of strategies that employees could resort to in order to make demands from their employers, which are outlined as follows:

There is a dire need to place more importance on non-monetary motivators. Besides high salary, engagement and satisfaction are also big motivators for employees. Employees want to be given a chance to learn and grow so that significant others in their context could also respect them. Leading by example plays a vital role as it helps maintain a healthy office relationship (Chen, 2008) and this aspect was confirmed by the responses offered in this study. One of the respondents claimed: *"We have children to feed and they must be seen as human and not poor. What other people see of is important if we have to go to our work every day... We have to be decent."*

One of the suggestions was to let employees do and develop upon what they do best. No matter which positions your employees hold or levels they are in, everyone still wants to be recognized and appreciated for their hard work (Chen, 2008). This opinion in the literature significantly confirms the statement of the research participant with regards recognition and appreciation of the worker as a significant player in the crafting and existence of the psychological contract.

The consequences of this examination unmistakably exhibit the significance of understanding worker discernments concerning prices and recognition why managers do not surrender to their workers' requests. Retention strategies must be more than just increasing employees' salaries. Research objective two is outlined in the following section.

4.4 RESEARCH OBJECTIVE 2

4.4.1THEME: CONTROLLING OF EMPLOYEE RETENTION

The second research objective was to determine to what extent employee retention could be controlled in the mining environment. Research objective two was linked with following themes as they establish how employee retention could be controlled in the mining environment. These themes were derived from the employees' perspective. Research objective two consists of two central topics, namely fair remuneration, with sub-theme cost of living, and employee retention, with sub-themes fair treatment and functional relationship

Table 4: Fair remuneration & employee retention

Sub themes	Frequency
Cost of living	6
Fair treatment	3
Functional relationship	4
Total	13

Table 2 and figure 2.1 gives the results of theme two, and more detailed commentary of the two is presented below.

4.4.1cost of living

Six of the participants stated that the mining company has to increase their salaries because what they earn is too little and it cannot cover all of their expenses. These employees indicate that it is their right to receive a yearly increase in salaries since the company is making a lot of profit and cost of living is expensive. Most of the participants regarded themselves as the breadwinners in their household. Employees stated that they need specific necessities for their survival, for instance, accommodation, food, and petrol. These are some of the participants' responses related to this theme:

"I stay around here and my family is residing at Pretoria. I have to travel every weekend and also buy grocery for two families and my salary is not enough."(Participant 2, Male, black, artisan).

“I cannot maintain my family due to the little salary that I am earning. Is just that I make some sacrifices and luckily during weekends I fix cars, the money generated over weekends also assist in the household” (P5, Male, Indian, N6 mechanical engineering).

"Each morning I wake up and go to work however still I am living in a shack. I cannot even build a house for my family. On the other side, Eskom is busy negotiating to increase the electricity rates. I want 8% increase in my salary; I want a wage that can sustain my family (P 6, Male, black, truck driver).

The import in all the responses outlined and reported verbatim above suggest a significant gap between salary and expectations of a very basic nature. The sacrifices that workers make do not in the end meet these basic expectations, showing that the psychological contract is unredeemable and broken at the mining venture where this research is situated.

4.4.2employee retention

Employee retention is a critical element of the organisation to ensure that employers keep talented employees. Fair treatment and the functional relationship formed part of the employee retention sub-theme. Since money on its own cannot retain, appropriate treatment and also functional relationship can work in the moment that employers seek to retain competent workers. This theme was derived from the research question which was asked to the employees as to what management could do to retain them besides increasing their salaries.

4.3.4Fair treatment

Fair treatment means employers must treat all employees equally within the organisation. Most participants in this study stated that they do agree that without a reasonable wage they cannot maintain their families, but again employees wanted to be treated fairly, and not discriminated against based on gender, religion and other constructs. Appropriate treatment is one of the essential tools that employers could use to retain talented employees. Participants stated that if two employees have committed the same misconduct, those employees must be given the same penalty for their misconduct, an observation that is also endorsed by Perman, (2008).

4.4.4 Functional relationship

Regarding operational ties, all participants agreed that it could also be used by employers to retain employees. Functional relationship relates to good communication between employer and employee. Participants also mentioned that an excellent connection between the two parties could increase organisational productivity, which is also a seminal point submitted by, Chen (2008).

4.4.5 INTERPRETATION OF RESULTS

One of the research objectives was to establish how employers can retain talented employees besides giving an increment in their salaries. Most of the employees in this study highlighted that they need to be rewarded fairly for them to be able to satisfy their needs and wants. The study conducted by Perman (2008) also outlined that functional relationship and appropriate treatment can retain employees. Pitiris (2009) stated that not only money nor incentives can keep employees, but also a “thank you” for the hard work that the employee has shown to the organisation could substantially retain the employees. Four of the employees stated that a good functional relationship could also make them stay within the organisation for more extended periods. Three of the participants noted that fair treatment could also retain employees. Perman (2008) also outlined the fact that employees who committed the same misconduct whether they are in lower or managerial level must be disciplined in the same manner. Perman (2008) further states that by doing so it would prove to employees that no one within the organisation is given special treatment. In conclusion, these results demonstrate that there is a lot that management must do in retaining its talented employees. Essentially, employers must not only focus on providing incentives, but they must ensure that employees feel free when they are around them. Employers must equally ensure that a working environment becomes a second home for employees and by so doing it will be easier to meet the organisational targeted goals.

5 RESEARCH OBJECTIVE 3

The aim of research objective three was to find out various ways through which employers in the mining sector could best retain talented employees. The following themes were derived from the employer’s perspective during the interviews. Expectation management and wage negotiation were central issues with training, consultation and unrealistic expectations as sub-themes. Negotiations also formed part of the expectation management theme

5.5.1 EXPECTATION MANAGEMENT

Table 5: Expectation management

Sub themes	Frequency
Unrealistic expectations	5
Consultation	2
Training	5
Total	12

Table 5 illustrates the results that were derived from theme three which is expectation management.

The management expectation was the theme that emerged the second most during the interview process (mentioned 27 times). The researcher asked management on what could they do to manage employee expectations. Participant One stated that to manage employee expectation, they have to check if what is requested by the employees is realistic or unrealistic. Expectation management means putting everything on the table and being able to communicate with employees on whether the employer can satisfy all their expectations (Perman, 2008). Expectation management consists of the following sub-themes, namely, unrealistic expectations, consultation and training.

5.5.2 Unrealistic expectations

Unrealistic expectations can put the most relationship between an employer and employee in a dangerous situation; either it can break down the goals and even make managers feel like they are a failure in life due to the collapse of set of goals. This is how one of the participants responded:

"As a matter of first importance you have to recognize what are your representative's desires and check whether they are reasonable and you should be straightforward with your workers on whether you as the business will you have the capacity to respect those desires. You as the business need to give legitimate reasons for what reason you cannot surrender to the representatives' requests and furthermore give help that you can help the workers to

accomplish their desires” (P 1, Male, White, Finance manager, Degree in financial accounting, White).

5.5.3 Consultation

From the interviews, discussion was regarded as one of the tools that employers could use to manage employees expectations, which is supported by two of the responses from the management side. Perman (2008) additionally highlighted that even though consultation can be conducted between employees and employers, if employees are unhappy with the services it will be hard for management to manage employee expectations. Perman (2008) stated that the better way is to have a discussion meeting where all stakeholders are available to give feedback on the whether the company is generating a profit or not and whatever changes that employers need to make, employers) must consult employees.

5.5.4 Training

From the interviews, practice was regarded as an essential tool which also management could use to retain and attain the most talented employees. Participants stated that money is not always a sure way to solve problems. Armstrong (2006) highlighted that if employees are given relevant training and exposure to other avenues within the working environment chances are those employees could remain loyal to the organisation.

Five of the participants stated that in-house training programmes could be a way to retain the employee. One of the participants from the employer’s side mentioned the following: *“What we usually do as employers we embark on the IDP. An individual development programme. This programme helps us also to see what employees expect from us and plan if it is in line with what the employees are doing currently, as the employer we can give the employee training and also monitor his or her duties”*(P 2, Male, Black, Masters in Human resource (Industrial Relations)).

6 WAGE NEGOTIATION 3

Table 6: Wage negotiation

Sub-themes	Frequency
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Trade union rep	4
Unrealistic expectation	6
Open process	5
Total	15

Table 7 above provides a summary of results on theme four which is wage negotiation, and a full detailed interpretation of results is given below.

Wage negotiation includes the following sub-themes: negotiators, unrealistic wage expectations, and open processes. Wage negotiation is the event whereby the employer, employee and trade unions come together to discuss pertinent issues regarding wages. Trade unions generally speak on behalf of the employees within the organisation, even though disagreements exist amongst the parties but at the end of the day, a conclusion has to be reached. When the participants were asked whether they think that negotiations can destroy the relationship between employer and employee, most of them stated that wage negotiation is an open process with responses like:

“No, wage negotiation does not destroy the relations between the employer and employee. But wage negotiation is an open process, and it is something that everyone is invited to attend. In conclusion, I would say that wage negotiation is a building process” (P 2, Male, Black, Masters in industrial psychology, Head of Human Resource Department).

In support of what participant added 2 said, participant 1 added the following:

“Wage negotiation creates understanding for both parties on why employers can’t give in to employees’ unrealistic demands. It also helps to know where your employees are coming from and it gives an opportunity to hear from them, what are the most important things to them” (P 1, Male, White, Finance manager, Degree in financial accounting).

6.6.1 Negotiators

Most of the employers stated that employees do not have realistic demands when it comes to wage increases; they depend on the people representing them (trade union representatives) to make what employers perceived generally as unrealistic figures.

Trade union representatives mediate on behalf of the employees; they negotiate wages, better working conditions for employees and many more (Labour Relations Act 66 of 1995). The act further states that trade unions are responsible for ensuring a durable and smooth employment relationship through the direct process of collective bargaining with employers. One of the participants stated this:

“Employees believe that the union will speak on their behalf; that is why in most cases the union calls the employees and says to them the percent you requested from management it cannot be given to you. Suppose the management is willing to give 5%, and the employees demanded 12%, when the union go back to the employees after their discussion with management they might end up settling for 6%”(P5, Male, Indian, Head of Mining, Masters in Human Resource Management, Diploma in Safety Management).

Another respondent submitted the following: *“Their final answers regarding salary increment depend on their representatives, so all in all employees do not stick with their first expectations.”*

During this process, participants stated that employees and their representatives are unfair and greedy, and demand a lot from the company. This is supported by what the following participant reported:

“When employees are at wage negotiation meetings all they want is salary increment. Employees don’t look at the other important things such as their benefits, and they do not even have time to hear the employers’ view as to why they cannot increase their salaries - why they cannot increase their salaries” (P 2, Male, Black, Masters in Human resource (Industrial Relations).

6.6.2 Unrealistic expectations

The main issue of employers being unable to manage expectations is that employees have an unrealistic expectation, employees tend to bring out their past employment experiences into the current one (Mastroianni, 2012). This means that employees would want their current employers to treat them as their previous employer. All six of the participating employers stated that unrealistic expectation is the main problem in most organisations and if this expectation cannot be managed, then the end result is a decrease in the productivity of the mine.

6.6.3 INTERPRETATION OF RESULTS

Most of the participants stated that it is challenging to manage employee expectations as some of them are unrealistic. In this, the researcher asked the employer (management) how they handle employee expectations. Most of the participants stated that they provide training opportunities in advance and also consultation makes it easier somewhat for them to maintain employee expectations. Many organisations have a fear of the so-called “learn and leave disease” by employees, with all six employers stating that training on the job and within the same venture does not give the 100% guarantee that employees will stay within the organisation after such training has been undertaken. Nevertheless providing training is one of the best practices in managing expectations (Chen, 2008). Employees need to be consulted first on which training course they would like to undertake; it will make it less expensive requesting the business to see which aptitudes are most required inside the affiliation and by what strategy they would benefit the membership (Anderson, 2003).

According to Paradise (2009) if employees are granted training, an organisation will have an advantage of not advertising current posts as trained employees would surely replace the leaving one. On the other hand, employees would be motivated and also perform at their best to achieve organisational goals. Most of the employers regarded training as the best retention tool with one of the participants stating that employers are currently embarking on the IDP programme to ensure that negotiation also forms a part of the retention and managing expectations strategies that employers could use to retain employees.

7RESEARCH OBJECTIVE 4: NEGOTIATION AND PROFITABILITY

Research objective four revealed the outcomes of the employee retention strategy in the mining environment. It includes themes such as negotiation and profitability.

Table 7: Negotiation and Profitability

Sub-themes	Frequency
Open process	7

Profitability	7
Total	14

Table 5 demonstrates the results of theme five which is negotiation, and a full detailed interpretation of results is presented below.

People negotiate on a daily basis and such negotiation occurs in various organisations used by employers” organisations to settle the differences between two parties or more. This process is taken into consideration to avoid arguments, maintaining in the process fairness and solid relationships (Guruman, 2010). These themes consist one sub-theme in the open negotiation process. Negotiation means both parties in the employment relationship coming together to resolve current contentious matters and also reach a mutually acceptable outcome (Armstrong, 2006).

7.7.1 Open negotiation process

Most of the respondents stated that negotiation is an open process; and does not destroy the relationship between the employer and the employee. An open procedure is where everybody is allowed to express their views and arrive at plausible answers for the circumstance that the association is confronting (Armstrong, 2006). The respondents further explained that negotiation is where everyone is given a chance to take air out his or her grievances, and in this case both parties will have the opportunity to respond to the questions forwarded to them during the sitting (Mastroianni, 2012). One of the participants submitted the following:

“Wage negotiation is a democratic process, whereby both parties will give reasons as to why they are demanding more from their employers. On the other hand, the employers will provide ideas as to why they are unable to buckle under the weight of the employees’ demands (P 6, female, black, Receptionist).

7.7.2 PROFITABILITY

Seven of the participants stated that when both parties are happy, there will be high productivity which will lead to higher company profit. Profitability means the income that the organisation generates after selling its products, for instance, how much do mining companies get out of the raw minerals they export to other countries (Chen, 2008). One of the responses supported this by saying:

“Profit is the most important goal to reach for every organisation because this will generate higher profit, but to do this, they must keep their employees happy” (P 6, Female, black, Receptionist).

7.7.3 INTERPRETATION OF RESULTS

Most of the participants stated that wage negotiation is an open process and does not destroy the relationship between employer and employee. The problem is that employees do not have realistic wage demands. According to Chen (2008), wage negotiation is a process that is used to resolve the disputes between the employer and employee. Since bargaining is not easy to negotiate, this implies that disagreements are bound to surface, but at the end of the day, a conclusion must be reached (Lawler, 2008). According to Lawler (2008), negotiation consists of six stages namely preparation, discussion, clarification of goals, negotiation toward the win-win game, agreement and implementation of the action. The six steps are outlined as follows:

Preparation: Before the beginning of everything lot of decisions need to be taken by both parties, decisions like where the negotiations will take place and also the problems that need to be addressed. The chairperson of the meeting rules and regulations, and when one decides to break one of the statutes, there will be steps taken against that particular person. Going through this process helps to avoid conflict between two parties and also wasting time discussing matters that were not listed on the agenda.

Discussion: This phase includes skills, various questions that will be asked by both parties and listening and clarifying facts when parties do not understand them. It is recommended for parties to take notes while in the meeting, and every party present at the negotiation meeting to have an equal opportunity to present their case.

Negotiation towards a win-win outcome: Parties have to compromise on certain promises and demands so that an agreement is reached.

Agreement: It is very vital for both parties to participate in the discussion; any deal needs to be clarified so that both sides know what to decide.

Implementing a course of action: From the negotiation, strategies have to be devised on how to tackle the contentious matters. The literature review is supported by the 88% responses from

the participants who highlighted that negotiation is an open process. Even though the primary responsibility of trade unions is to ensure that employees are rewarded justly and treated equally, on the other hand, there is the realisation that trade unions have a negative impact on wage negotiation issues as employees depend on their final word (Chen, 2008). The results in the current study also highlighted that employee retention could have a positive effect on the profit of the company and even enhanced and uninterrupted productivity.

8 CONCLUSION

This study aimed to investigate employee retention by controlling expectations and also understanding the psychological contract of employees in the mining sector. Employees and employers were interviewed at a mine near Mafikeng. The following chapter provides an overview of the study, highlights essential findings, pointing out the limitations, and finally offering recommendations and the conclusion.

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5 INTRODUCTION

This chapter outlines the conclusion and recommendations of the study and re-examines the general objective of the study to identify how this has been achieved. An overview of the research and limitations of the study are also discussed. The research was conducted at one of the mines in the North West province near Mafikeng.

5.1 CONCLUSION IN TERMS OF THE LITERATURE

The research was conducted using an exploratory qualitative research approach. One-on-one interviews were conducted with six participants from the management from different departments within the mine, and research focus group interviews were conducted with seven employees from the excavations in the North West province near Mafikeng. The central themes identified in this study linked clearly to employee demands, fair remuneration, employee retention, managing expectations, and wage negotiations. When an employee and employer enter into an employment contract, both parties have certain expectations amongst others, for example, an employee expects an employee to perform their daily task and in return the employee expects to be paid. The psychological contract is not like any other contract due to the fact that it influences the behavior of employees on a daily basis, (Conway & Brinner, 2005). When employees feel that promises made by their employers are not delivered, such feelings result in a breach of the psychological contract. A psychological breach of contract can bring negative results to the employers' organisation, low productivity, lack of trust and also lowered profitability (Gollan, 2007).

Unrealistic expectations from both parties also result in lack of trust between both parties. Employees can also bring their past employment relationship into the current one, for instance, they can expect to be given car allowance or medical aid (Hanna, 2007). Not only money makes employees stay within the organisation for an extended period. The employer must come up with talent management strategies that attain and retain the best talented employees (Yamamoto, 2009). Training and development can be one of the best retention strategies, the employer should check with employees on the type of training they need to improve their performance, (Deloitte, 2005). Employee recognition can also make employees stay within the employers' organisation for an extended period. Employee retention is indeed a difficult task for employers, but this needs an employer who leads by example encouraging his or her teamwork to achieve organisational goals (Deloitte, 2005). The employer must be honest from the onset on what they expect from employees. Honesty displayed from the start makes things easier for the organisation, avoiding unnecessary misunderstanding that at the end of the day could cause strikes (Graig, 2014). Consultation between both parties is the best tool in reducing attacks that are happening in different organisations, and even recruiting from within the organisation rather than advertising posts offers employees hope that there will be growth for them within the organisation (Hendrics, 2006).

5.2 CONCLUSIONS REGARDING THE FINDINGS

The results for theme one which is employee demands proved that the reason why employers do not give in to employees requirements is due to unrealistic demands by employees. The results also provided a clear picture that employers are more concerned about profit and investors: there was a tie of 25% between the two sub-themes and this finding supports Armstrong (2006) who submits “that is the reason why employers do not give in to employees demands [because] all their demands are unrealistic, and lastly if you as an employer you keep on pouring money to your employees this results in retrenchment.”

Theme two gave overall results of fair remuneration and employee retention, as to what management can do to attain and retain employees besides increasing their salaries. The results proved that there are various strategies that administration could use to keep employees and one of the functional relationships which had an overall of four responses from employees’ perspective was highlighted by Perman (2008) when he stated that a functional relationship could increase productivity, ensure that employees are loyal and can stay within the same organisation for an extended period. Even if technical ties can create a long-lasting relationship, salary has to be increased yearly as the cost of living is high. This point was supported by six responses of the participants presented in the results in Chapter 4.

The final strategy that employees believed management could use to retain them was fair treatment which was captured in a frequency of three. Perman (2008) also concurs when he shows that employees who committed the same misconduct must be punished equally to show fairness within the organisation. Theme three aim was to determine how management (employers) can manage employee expectations: the results showed a clear reflection that employees’ demands are unrealistic when seven of the participants (41%) concurred that wage negotiation, which forms part of expectations, are unrealistic expectations for management. Chen (2008) and Paradise (2009) indicated that through giving employees necessary training could retain employees and this was proven by the frequency of five(5) managers who thought that by embarking on training programmes such as IDP could help in retaining employees. Giving employees training rather than pouring a lot of money into their pockets could possibly lead to a reduction in some of the worker demands during wage negotiations.

The last theme on negotiation answered the research question which sought to establish the strategies deployed for employee retention in the mining environment. A question that leads to this theme was whether or not bargaining destroys the relationship between the employer and employee. The results in this study showed seven responses from the participants that negotiation is an open process and this is supported by Chen (2008) and Lawler (2008) who both highlighted that bargaining is an open process whereby everyone is given a chance to give their views. Lawler (2008) further outlined that when both parties reach an agreement during the negotiation process this results in high productivity and also the organisation will generate higher profit. This statement by Lawler (2008) was supported by the results which obtained a total frequency of seven on the sub-theme “profitability.” The overall findings of this study are that management does not give in to employees because their demands are unrealistic. The second reason is that if management gives in to employees then, in the long run, they would not be able to pay the employees’ salaries and this consequently has an impact in reduced productivity

5.3 LIMITATIONS OF RESEARCH

The results of this research study are only applicable to one the mines in the North West province near Mafikeng. Firstly, the sample does not represent the whole target population of mining operations (Kumar, 2005) and may not reflect the experiences and views from all the mines in South Africa as this undertaking in South Africa is very diverse. Secondly, the study used a qualitative research method whose results could be disputed through a quantitative approach. Thirdly, the researcher was given little time to conduct interviews with management teams and this could have compromised the depth of the findings from this segment. Finally, it was not easy to perform focused group interviews with employees as some of them did not understand some of the questions and the researcher had to interpret so that the employees could fully understand the core of the research questions. Language in this instance mitigated against the genuine nature of responses that would have been gleaned had the questions been posed in a language that the employees understood.

5.4 RECOMMENDATIONS FOR FUTURE RESEARCH

The data obtained by the researcher could be used to help employers in the mining sector on how to attract, retain employees and manage employee expectations. The following suggestions are made for future research.

5.4.1 Theoretical

- More research could be conducted concerning the relationship between the employer and employee in the mining sector and the challenges they face.
- The findings in this study concerning employee retention by controlling expectations and understanding psychological contract of employers could also be investigated in the public sector as this study focused only on the mining environment.
- Studies on the psychological contract and employee retention should not only include participants from the mining sector, but also public sector servants should be engaged.
- Studies could also be undertaken to determine how the relationship between the employer and employee could be enhanced. Such research could include various ways that could bring about the opening up of employees to their employers and also employees enquiring about their future development and performance within the working environment.
- Teamwork should also be embraced within the working environment. Employers must treat all their employees equally.

5.4.2 Practice

To solve the problems of employee retention by controlling expectation and understanding the psychological contract of employers in the mining sector, the following recommendation is made

- Training programmes must be established and offered to employees who lack some skills and management should embark on employee wellness programmes for their employees.
- Findings of this study indicate that employees have unrealistic expectations from their employers. Besides, that not only money makes employees stay with the same employer for an extended period.
- Employers should have a good relationship with their employees, try to reach out to employees if ever employees are happy with the working conditions. If ever a particular employee has a specific problem at home, counseling must be offered by the employer

such that employees begin to take the employers' organisation as their second home. Production will invariably increase.

- Employers must know their employees through engaging them in formal and impersonal communication as to empathise with them and offer support where necessary.
- Employers must treat their employees with respect and also allow employees to engage in decision-making that affects them.
- Employers should provide employees with challenging and satisfying jobs.

6 CONCLUSION

Not only money nor incentives such as bonuses can retain the best talented employees in an organisation. Both research objectives were achieved by looking at various themes obtained from the results and aligned with the literature. Although employers have retention strategies within the organisation, they still have a lot to do in retaining and managing employee expectations. It is critical for employers to communicate with their employees to see what other measures organisations could offer, for instance, training to improve employee careers and performance at work. Lastly, employers need to be specific on what they expect from their employees, in as much as they ought to avoid unnecessary expectations from their employees. The way an employer treats and handles misconduct matters largely determines whether an employer can retain the best talented employees within the organisation.

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Appendix 1 – Interview guide

Interview guide for researcher

Process of the interview

1. During the study or any publication action the names of the company or respondents will not be disclosed.
2. The study population will consist of employees and employers in the one the mines in the North West Province.
3. Participation in the study will only be on a voluntary basis.
4. No participants will be victimised, nor be discriminated against (directly or indirectly).
5. Findings and recommendations will not be used to victimise or discriminate against any participant.
6. Findings of the study will be disclosed to any relevant party.
7. Open-ended interviews will be held face to face.
8. Interviews will be recorded for any future reference.
9. Interviews will be transcribed into themes.
10. In view of the reliability issue of the study all the interview questions will be asked in English.

Recording and record-keeping

1. Interviews will be audio-recorded with the permission of the participants.
2. Transcripts will be made of every interview recorded.
3. Copies will be made of every interview transcript and such copies, as well as the audio recordings, will be securely held in safekeeping for any future reference.

Interview environment

1. Interviews will take place in one location to ensure optimal reliability.
2. Interviews will take place in a face-to-face mode.
3. Each interview will take approximately 30 minutes.
4. The interviewer will be semi-formally dressed and should act in a professional manner.

Interview guide for interviewee

Interviewee no: _____

Gender:

Race:

Date:

Venue:

Introduction

1. Introduction:
 - a. Welcome interviewee; and
 - b. Introduce interviewer.
2. Overview of the study:

“The purpose of this study is to explore the employee retention by controlling expectations: Understanding the psychological contract of employers in the mining sector.

Anonymity:
3. “Your identify and identification will be nameless and will no longer be posted or disclosed in any manner; there will additionally be no discrimination in opposition to any man or woman or group.”
4. Recording and recordkeeping: “As interviewer I will use an audio recorder to assist me later in analysing the interview. Do you have any problem with the use of an audio recorder?”

RESEARCH QUESTIONS

EMPLOYEES SECTION

- Do you feel that wage negotiation is destroying the relationship between you and the employer?
- Do you think that the company is paying you fairly? Why?
- If the company gives into your demand, do you think that the company will have financial problem that will lead to retrenchment? Why?
- Do you think it is your right as employees to get salary increase each year?

EMPLOYERS SECTION

- What can you do to manage expectations of employees?
- Do you think that employees have realistic expectations of wage negotiations?
- Do you believe that you can retain employees if you don't give into their expectations?
- Why don't you give into employees demands?
- If you accept employee demands, what possible problems will arise?
- If you give into their demands now, do you think they will expect the very same thing next year?
- Do you think you will create future expectations if you give into employees demands?
- Do you think by not giving into employees expectations or demands you protecting them from their future benefits?
- If you give into employee demand, will it cause problems to the employer?
- Do you feel that the wage negotiation is destroying the relationship between you and the employer?

