



**THE RELATIONSHIP BETWEEN TALENT MANAGEMENT, JOB  
SATISFACTION AND EMPLOYEE TURNOVER IN STATE-OWNED  
ENTERPRISES IN MMABATHO**

**By**

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## DECLARATION

I, **RM Tsheole** (student number 23267526) declare that this study titled, “**The relationship between talent management, job satisfaction and employee turnover in state-owned enterprise in Mmabatho**” is my own work and has never been submitted for any degree at any other university. All sources in this study have been indicated and acknowledged by means of direct and indirect references.

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Signed

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Date

## **DEDICATION**

I dedicate this piece of work to God Almighty, who gave me the grace and strength to finish this study. I also dedicate it to my husband and children who gave me support during my study time.

## **AKNOWLEDGEMENTS**

I wish to acknowledge, with appreciation, the following people:

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- Above all, I thank God Almighty for keeping me in good health and for sustaining me so I could complete this work.

# **THE RELATIONSHIP BETWEEN TALENT MANAGEMENT, JOB SATISFACTION AND EMPLOYEE TURNOVER IN STATE-OWNED ENTERPRISE IN MMABATHO**

## **ABSTRACT**

Job satisfaction and turnover intentions are reflections on the outlook that employees have about their employment. This outlook is influenced by the degree to which employees' salient needs are satisfied by their work. Employees display higher levels of job satisfaction, and subsequently lower turnover intentions, when the characteristics of their working environment satisfy their needs. The main objective of the study was to examine and describe the relationship of talent management with reference to job satisfaction and employee turnover at a state-owned enterprise (SOE) in Mmabatho. The study employed a quantitative research design; the sample size was N = 120 staff in the service delivery department of the SOE in Mmabatho, from which only 87 staff completed their questionnaires. These employees were purposefully selected based on their experiences and years at work. An open- and closed-ended six-point Likert-type questionnaire was used as the measuring instrument from which data was collected. Data collected was analysed in descriptive statistics with the aid of charts and tables to further present the respondents responses

Findings from the study indicated that the demographic relationship between talent management, job satisfaction and employee turnover in the SOE has been proven to be effective and plays a major role in an organisation. However, the measuring instrument also identified that talent retention and talent planning need improvement in the organisation. The results in this study showed that all talent management practices significantly enhance the job satisfaction of employees and employee turnover. The study also revealed various relationships between talent management, job satisfaction and employee turnover. It was, based on this criterion, that a hypothesis was established. The hypothesis shows that there are relationships that exist between job satisfaction, talent management and employee managements. It was recommended that SOE in Mmabatho should act upon talent management practices and devise strategies to satisfy their employees to get maximum output from them and utilise their skills in a better way.

**Keywords:** Job satisfaction, retention, turnover, talent, management, organisation

# Contents

<a href="#"><u>DECLARATION</u></a>	2
<a href="#"><u>DEDICATION</u></a>	3
<a href="#"><u>ACKNOWLEDGEMENTS</u></a>	4
<a href="#"><u>ABSTRACT</u></a>	5
<a href="#"><u>ABBREVIATIONS</u></a>	Error! Bookmark not defined.
<a href="#"><u>CHAPTER 1: OVERVIEW OF THE STUDY</u></a>	10
<a href="#"><u>1.1 INTRODUCTION TO THE STUDY</u></a>	10
<a href="#"><u>1.2 BACKGROUND OF THE STUDY</u></a>	10
<a href="#"><u>1.3 PROBLEM STATEMENT</u></a>	11
<a href="#"><u>1.4 RESEARCH OBJECTIVES / SPECIFIC RESEARCH QUESTIONS</u></a>	11
<a href="#"><u>1.4.1 Research questions</u></a>	12
<a href="#"><u>1.5 IMPORTANCE AND BENEFITS OF THE PROPOSED STUDY</u></a>	13
<a href="#"><u>1.6 DEFINITION OF KEY TERMS</u></a>	13
<a href="#"><u>1.7 RESEARCH DESIGN AND METHODOLOGY</u></a>	14
<a href="#"><u>1.7.2 Research methodology</u></a>	14
<a href="#"><u>1.6.3 Target population</u></a>	15
<a href="#"><u>1.6.4 Data collection</u></a>	15
<a href="#"><u>1.6.5 Data analysis</u></a>	16
<a href="#"><u>1.7 ORIGINAL CONTRIBUTION TO SCIENTIFIC KNOWLEDGE</u></a>	17
<a href="#"><u>1.8 CHAPTER DIVISION</u></a>	17
<a href="#"><u>1.9 CONCLUSION</u></a>	17

<b><u>CHAPTER 2: LITERATURE REVIEW</u></b> .....	<b>18</b>
<b><u>2.1 INTRODUCTION</u></b> .....	<b>18</b>
<b><u>2.2 OVERVIEW OF TALENT AND MANAGEMENT</u></b> .....	<b>18</b>
<b><u>2.3.1 Talent culture</u></b> .....	<b>22</b>
<b><u>2.3.2 Management support</u></b> .....	<b>23</b>
<b><u>2.3.3 Performance management</u></b> .....	<b>23</b>
<b><u>2.3.4 Compensation</u></b> .....	<b>24</b>
<b><u>2.3.5 Talent strategy</u></b> .....	<b>25</b>
<b><u>2.3.6 Talent planning</u></b> .....	<b>26</b>
<b><u>2.3.7 Talent attraction</u></b> .....	<b>26</b>
<b><u>2.3.8 Talent retention</u></b> .....	<b>27</b>
<b><u>2.4 JOB SATISFACTION</u></b> .....	<b>28</b>
<b><u>2.4.1 Defining job satisfaction</u></b> .....	<b>28</b>
<b><u>2.5 TURNOVER INTENTIONS</u></b> .....	<b>29</b>
<b><u>2.5.1 Meaning of turnover intentions</u></b> .....	<b>30</b>
<b><u>2.5.2 Turnover intentions in SOEs</u></b> .....	<b>30</b>
<b><u>2.6 RELATING TALENT MANAGEMENT, JOB SATISFACTION AND TURNOVER INTENTIONS</u></b> .....	<b>32</b>
<b><u>2.7 RELATING TALENT MANAGEMENT AND JOB SATISFACTION</u></b> .....	<b>33</b>
<b><u>2.8 RELATING TALENT MANAGEMENT AND TURNOVER INTENTIONS</u></b> .....	<b>34</b>
<b><u>2.9 RELATING JOB SATISFACTION AND TURNOVER INTENTIONS</u></b> .....	<b>35</b>
<b><u>2.10 CONCLUSION</u></b> .....	<b>36</b>

<b><u>CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY</u></b> .....	<b>37</b>
<b><u>3.1 INTRODUCTION</u></b> .....	<b>37</b>
<b><u>3.2 RESEARCH DESIGN</u></b> .....	<b>37</b>
<b><u>3.3 LITERATURE REVIEW</u></b> .....	<b>38</b>
<b><u>3.4 RESEARCH METHODOLOGY</u></b> .....	<b>39</b>
<b><u>3.4.1 Description of target population</u></b> .....	<b>39</b>
<b><u>3.4.2 Sampling procedure</u></b> .....	<b>40</b>
<b><u>3.4.3 Survey methodology and measuring instruments</u></b> .....	<b>41</b>
<b><u>3.4.4 Questionnaire structure</u></b> .....	<b>41</b>
<b><u>3.4.5 Criteria for the selection of research assistants</u></b> .....	<b>43</b>
<b><u>3.4.6 Data analysis</u></b> .....	<b>44</b>
<b><u>3.5 ETHICAL CONSIDERATION</u></b> .....	<b>44</b>
<b><u>3.6 CONCLUSION</u></b> .....	<b>45</b>
<b><u>CHAPTER 4: PRESENTATION AND DISCUSSION OF FINDINGS</u></b> .....	<b>46</b>
<b><u>4.1 INTRODUCTION</u></b> .....	<b>46</b>
<b><u>4.2 PHASE 1: SAMPLE DEMOGRAPHICS</u></b> .....	<b>46</b>
<b><u>4.2.1 Frequency analyses for gender</u></b> .....	<b>47</b>
<b><u>4.2.2 Frequency analyses for marital status</u></b> .....	<b>47</b>
<b><u>4.2.3 Frequency analyses for home language</u></b> .....	<b>48</b>
<b><u>4.2.4 Frequency analyses for ethnicity</u></b> .....	<b>49</b>
<b><u>4.2.5 Frequency analyses for age</u></b> .....	<b>50</b>
<b><u>4.6 Frequency analyses for educational qualification</u></b> .....	<b>51</b>
<b><u>4.3.7 Frequency analyses for work experience</u></b> .....	<b>52</b>



<a href="#">4.3.8</a>	<a href="#">Frequency analyses for chances for promotion</a>	54
<a href="#">4.3.9</a>	<a href="#">Frequency analyses for years at current work</a>	55
<a href="#">4.5</a>	<a href="#">PHASE 3: TESTING OF HYPOTHESES</a>	58
<a href="#">4.6</a>	<a href="#">Conclusion</a>	61
<a href="#">CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS</a>		62
<a href="#">5.1</a>	<a href="#">INTRODUCTION</a>	62
<a href="#">5.2</a>	<a href="#">REACHING OBJECTIVES: KEY FINDINGS</a>	62
<a href="#">5.2.1</a>	<a href="#">Employees' perceptions of talent management practices</a>	62
<a href="#">5.2.2</a>	<a href="#">Examining the relationship between TM, job satisfaction and employee turnover at an SOE</a>	62
<a href="#">5.2.3</a>	<a href="#">Describing the relationship between TM, job satisfaction and employee turnover at an SOE in Mmabatho</a>	63
<a href="#">5.3</a>	<a href="#">RECOMMENDATIONS FROM THE STUDY</a>	63
<a href="#">5.3.1</a>	<a href="#">Recommendation for the organisation</a>	63
<a href="#">5.3.2</a>	<a href="#">Recommendation for further research</a>	64
<a href="#">5.4</a>	<a href="#">LIMITATIONS OF THE STUDY</a>	65
<a href="#">5.5</a>	<a href="#">CONCLUSIONS</a>	65
<a href="#">REFERENCES</a>		67

## **CHAPTER 1: OVERVIEW OF THE STUDY**

### **1.1. INTRODUCTION TO THE STUDY**

Talent management has become highly topical in both private and public sector entities. However, few studies have focused on the connections among talent management, job satisfaction, and the turnover intentions of public employees (Naff & Crum, 2009:5). Basically, scholars have not fully proven the importance of talent management to critical human resource issues (Kim, 2014:36). In addition, although one study has shown that talent management is positively related to the job satisfaction and turnover intentions of public employees (Naff & Crum, 2009:6), there is other evidence that talent management may not have a positive influence on the attitudes and behaviours in all public organisations (Moynihan & Pandey, 2007:42). This study therefore focuses on the relationship between talent management, job satisfaction and employee turnover in SOEs in Mmabatho. This study will begin by reviewing the public administration and general management literatures on talent management, job satisfaction and labour turnover.

### **1.2. BACKGROUND OF THE STUDY**

Scholars have located public employees to have suitable degrees of job satisfaction; however, burnout was observed to be an important threat in public organisations. For example, there is evidence that tenure is negatively related to the job satisfaction of public employees (Kamdron, 2005:67; Naff & Crum, 2009:9). In other words, the longer personnel have laboured in public organisations, the more their job pleasure reputedly decreased. Similarly, other studies have found burnout and exhaustion to be two of the most referred two motives why people have left public jobs (Kim, 2014:32).

Job satisfaction and turnover intentions are reflections of the outlook that employees have about their employment. This outlook is influenced by the degree to which employees' salient needs are satisfied by their work. Employees display higher levels of job satisfaction, and subsequently lower turnover intentions, when the characteristics of their working environment satisfy their needs (Rainey, 2009:199). One early debate in the public administration literature centred on whether public employees were satisfied with the characteristics of public organisations (De Santis & Durst, 2006:329; Steel & Warner 2000:54). Some believed the bureaucratic nature of public organisations coupled with low salary levels inhibited high levels of job satisfaction among public employees (Finlay, Martin, Roman, & Blum, 2005:432; Rainey, 2009:190).

Contrary to these expectations, most scholars have found job satisfaction to be high among public employees at all levels of government (De Santis & Durst, 2006:6), whereas other studies reached the opposite conclusion (Bogg & Cooper, 2005:445). The work conditions found to be the most influential to the job satisfaction and turnover intentions of public employees were the intrinsic non-monetary characteristics of their work, such as good social relationships with co-workers and supervisors, promotion opportunities, professional development opportunities, and participatory management strategies (Borzaga & Tortia, 2006:277).

The cutting-edge situation in the public zone portrays the actuality of an abilities scarcity and an excessive turnover of personnel (Mufamadi, 2010:23). Because expert and able workers are excessively in demand, it is essential to supply priority to brain management. This calls for acquiring and keeping genius and making intelligence administration strategy a priority. If public institutions choose to be of this type and grant first-rate offerings to communities, they no longer solely have to identify talent and increase the bar of performance in all human beings continuously; however, they need to additionally continue genius and benchmark the public and personal businesses to meet or exceed their standards.

### **1.3. PROBLEM STATEMENT**

At the SOE under study, it was reported that 46 staff members out of 82 staffs left their jobs between 2013 and May 2015 due to a lack of a job satisfaction ethos and it reflected a 56% labour turnover (Daily Maverick, 2015). On the background of such high turnover among senior staff, performance at the SOE was grossly affected. Presumed factors precipitating the problem could be anchored in lack of job satisfaction and political interference. The global world has also been affected by human capital challenges. Political, economic, social, environmental and technological issues have impacted on talent management, job satisfaction and turnover rates (Bogg & Cooper, 2005:445). The drive for greener pastures reflected in poor remuneration is a variable of concern. The study will solicit to review the relationship between talent management, job satisfaction and turnover at the SOE in Mmabatho, North West Province.

### **1.4. RESEARCH OBJECTIVES / SPECIFIC RESEARCH QUESTIONS**

The main objective of the study was to examine and describe the relationship of talent management with reference to job satisfaction and employee turnover at an SOE in Mmabatho.

## Specific objectives

- Determine employees' current perception regarding talent management (TM) practices at an SOE in Mmabatho.
- Examine the relationship between TM, job satisfaction and employee turnover at an SOE.
- Describe the relationship between TM, job satisfaction and employee turnover at an SOE in Mmabatho.

### **1.4.1. Research questions**

The main question of the study was: "What is the relationship between talent management (TM) practices, job satisfaction and employee turnover at an SOE in Mmabatho?"

Specific questions:

- What is the relationship between talent management and job satisfaction of employees at an SOE?
- What is the relationship between talent management and turnover intentions of employees at an SOE?
- What is the relationship between job satisfaction and turnover intentions of employees at an SOE?

## 1.5. IMPORTANCE AND BENEFITS OF THE PROPOSED STUDY

The study aspires to develop a framework that will enhance job satisfaction among an SOE's employees, thereby reducing labour turnover. It will also further provide mechanisms of managing employees' talent so that they can be retained by their employer.

## 1.6. DEFINITION OF KEY TERMS

<b>TERMS</b>	<b>MEANING</b>
<b>Job satisfaction</b>	The extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Stockley, 1998:375)
<b>Talent management</b>	Integrated process of ensuring that an organisation has a continuous supply of highly productive individuals in the right job, at the right time (Cambridge, 2010:86).
<b>Turnover</b>	The rate at which employees leave a workforce and are replaced (Spector, 2007:3).

## **1.7. RESEARCH DESIGN AND METHODOLOGY**

### **1.7.1. Research design**

The research design provides the blueprint for reaching the specific objectives of a research study. It is the 'glue' that holds a research project together (Coldwell & Herbst, 2004:35). It is a plan according to which data is gathered to confirm the research hypothesis in the most economic manner (Gill & Johnson, 2012:67). In some way, a research design is the structure of the research study. A research design is a strategy for any study and a plan by which the strategy was conducted.

Polit and Hungler (2006:155) concur that a research design is an outline for conducting a study in such a way that maximum control can be exercised over factors that could interfere with the validity of the research results. Burns and Grove (2010:223) state that designing a study helps researchers to plan and implement the study in a way that will help them obtain the intended results, thereby increasing the chances of obtaining information that could be associated with the real situation.

Cooper and Schindler (2001:24) highlight that a research design is a time-based plan or activity, derived from the research question, guiding the selection of sources and types of information, and outlines procedures for every research activity. Indeed, a research design should provide for techniques that will be used to collect data, the type of sampling, and the time and limitations involved.

Consequently, in this study, the research design was the quantitative design. This approach was employed because its philosophical assumption is rooted in positivist theory, which is mainly focused on 'scientific research reality' and therefore it makes use of statistical data to analyse findings from the study (Crittenden, 2006).

### **1.7.2. Research methodology**

Research methodology is merely an operational framework within which facts are placed so that meaning can be understood clearly (Leedy & Ormrod, 2005:65). As a process, it is used to collect information and data for the purpose of making business decisions Crittenden (2006) perceives research methodology as a systematic way to solve a problem, a science of studying how research is to be conducted. Essentially, the procedures by which researchers go about describing, explaining and predicting phenomena are called research methodology. It can also be defined as the study of methods through which knowledge is

gained. In as much as data is required, the choice of the research methods borrows more from the nature of data to be gathered (Leedy & Ormrod, 2005:68).

### **1.6.3. Target population**

It entails the complete set of elements identified for the study (Jaeger, 1997:23). The research was conducted among staff members in an SOE in Mmabatho in the North West as they were the stakeholders with up-to-date information on issues unfolding at the SOE.

### ***Sample size***

Due to the significance of sampling in any research activity, it is imperative to describe the procedure adopted in this study. Firstly, however, a sampling framework has to be determined. This is a process that involves determining all the elements of the universe, which can be finite or infinite (Jinabhai, 2008:247). Chetty (2008:112) alludes to the fact that a sample size is the entity that is the focus of a survey. In order to select sample size, a sampling frame is needed. The sample frame could be obtained from several sources such as census lists and telephone directories. The sampling frame is a complete list of all the units from which the sample is extracted (Chetty 2008:112).

The sample for this study includes the staff members working in the service department of an SOE in Mmabatho. There are 150 staff members in this department, and 120 staff members, including managers in the service department in the SOE, were selected and used for the study. After data was collected, it was found that only 87 respondents returned their questionnaires. These staff members were purposefully selected based on their experience and years at work. By analysing the sample, the researcher may draw conclusions or make deductions that allow generalisations about the target population (Sekaran, in Chetty 2008: 112). It is, however, important that that the sample used must be a reflection of the population being surveyed. A sample is used to avoid the laborious task of studying the entire population, analysing volumes of data and the high costs of bulk surveying.

### **1.6.4. Measuring instruments**

Data refers to information gathered during the course of an investigation or study (Bergman, 2011:267). The researcher adopted the use of the questionnaire for this study. The questionnaire was adopted because it enabled the researcher to measure talent through a

management measure (Barkhuizen, 2005), job satisfaction questionnaire (author's own) and turnover intention scale (Cohen, 1993) in this study.

Greene (2007:28) states that the ensuing aspects characterise a questionnaire: each respondent entered his/her responses on the questionnaire, thereby saving the researcher's time compared to the time required in conducting in-depth interviews; it was less expensive than conducting in-depth interviews; respondents felt that they remained anonymous and could express themselves in their own words without fear of identification, and data on a broad range of topics was collected within a limited period.

A talent management measure (Barkhuizen, 2005), job satisfaction questionnaire (author's own) and turnover intentions scale (Cohen, 1993) were used in this study.

Talent management: A talent management measure (Barkhuizen, 2005) was used to assess the talent management practices in this study. The measure consisted of 40 items and measured eight talent management practices: talent culture, management support, performance management, compensation, talent strategy, talent planning, talent attraction and talent retention. Responses were collected on a six-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree). Acceptable reliabilities were obtained for this measure in various studies (see Magolego, 2016; Mpofu, 2013).

Job satisfaction questionnaire was used for the study: A job satisfaction questionnaire was developed to measure the extent to which the participants were satisfied with their jobs. The questionnaire consisted of 13 items and measured responses on a six-point Likert scale, ranging from not at all (1) to always (6).

Intention to quit scale: The questionnaire consists of three items, and assesses early career academics in SOE in Mmabatho'. Responses are measured on a six-point Likert scale ranging from strongly disagree (1) to strongly agree (6).

#### **1.6.5. Data analysis**

The data was analysed with the aid of SPSS 23 (SPSS, 2017). The analysed data was presented using the descriptive statistics (i.e. means, frequencies, skewness and kurtosis). No factor analyses were performed due to the small sample size. In addition, the factor structures of the talent management and intention to quit scales have been validated in previous studies. Cronbach alphas of  $\alpha \geq 0.70$  (see Field, 2009) were used to determine the



reliabilities of the measurements. Linear regression analyses were applied to test for the predictive relationships between talent management, job satisfaction and intention to quit.

### **1.7. ORIGINAL CONTRIBUTION TO SCIENTIFIC KNOWLEDGE**

The study aspires to identify and analyse the relationship between talent management, job satisfaction and employee turnover in an SOE in Mmabatho. It will also further provide mechanisms to manage employees' talent so that they can be retained by their employer. This study will also help to determine the values and theoretical knowledge of the relationship between talent management, job satisfaction and employees' turnover rate. It helps to determine the reason for employees' turnover in business and the factors that determine the job satisfaction of an employee.

### **1.8. CHAPTER DIVISION**

This mini-dissertation is presented in five chapters. The first chapter of this research outlines the basic background and principles under which the research will be conducted.

Chapter 2 examines the theoretical foundations of related research. It provides an overview of the meaning and nature of talent management, job satisfaction and employee turnover.

Chapter 3 explores the quantitative elements of the research methodology. The methodologies and techniques used in the collection and analyses of data are also discussed in this chapter.

Chapter 4 presents the results and findings of the research. Descriptive data analysis was utilised in this study and data was presented in charts and tables. The presented data was further discussed with relevant literature.

Chapter 5 combines all the previous work into a conclusion of the results with recommendations for future research.

### **1.9. CONCLUSION**

This chapter focused on the background to the study, statement of the problem, research objectives and questions, research design and methods. It also captured the expected contribution of the study and how the study will be presented in each chapter. The next chapter will review relevant literature in relation to the talent management and practices and their relationships.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 INTRODUCTION**

The retention of employees is becoming a real challenge in today's competitive business environment as employers begin to realise the value of people who make up the organisation. According to a report by ROK (2010) on strategic planning and an economic survey, the public sector globally is experiencing difficulties in the recruitment and retention of employees, especially when competing with private firms for skilled and talented employees was an issue of the study (Njoroge, 2012). Society has become knowledge based, where clearly human capital is considered a key resource and indispensable to the survival of the organisation. Increasingly, organisations are competing for the most talented employees (Porter, 2001). Talent itself has become more mobile and organisations therefore have to coordinate how they manage and retain talented staff as there is a significant economic impact when an organisation loses any of its critical employees, especially given the knowledge that is lost with an employee's departure. The increasing customer expectations, corporate obligations and responsibilities necessitate a continuous review of the services being offered by state corporations to meet changing user needs. This calls for the development of talent management programmes in order to help in the recruitment and retention of talented staff who could play a significant role in the improvement of the quality of public service delivery process. The chapter will provide an overview of talent management practices as well as the relationship between talent management, job satisfaction and employees' turnover rate in SOEs.

### **2.2. OVERVIEW OF TALENT AND MANAGEMENT**

Chuai (2008) mentions that it is acknowledged that talent not only has become more important "among all the factors that could influence the effectiveness of organisations in the future" (Buckingham & Vosburgh, 2001), but also remains in limited supply (Jamrog, 2004; Frank & Taylor, 2004). However, those who advance such views find it difficult to define highly talented employees. In fact, different organisations find greater value in formulating their own meaning of what talent is than accepting a universal or prescribed definition (Talent management, 2011). Therefore, they tend to have different talent targets.

**TALENT = TRACK RECORD + BEHAVIOUR + AMBITION + STRETCH**

This talent structure is seen as the key to a successful organisation. Chuai (2008) pointed out that even though talent can be categorised as valuable, rare, and hard to imitate, the specific descriptions regarding talent are still not clear, and there is no universal definition of great talent (Brown & Hesketh, 2004). The definitions of talent will depend on an organisation's business strategy, type of firm, overall competitive environment, and so on (Ingham, 2006). Therefore, the definitions of talent should be tailored to individual organisations (Towers Perrin, 2004b), and each company should be encouraged to "understand the specific talent profile that is right for it" (Michaels *et al.*, 2001). An in-depth and concise assessment of the key elements of organisational culture and job structure, followed by a matching with candidates who have specific backgrounds, work experiences, and inner personal qualities, becomes crucial in the process of talent identification. The authors of one of the most influential publications, the *War for Talent* (2001), elucidate talent as "A code for the most effective leaders and managers at all levels who can help a company fulfil its aspirations and drive its performance, managerial talent is some combination of a sharp strategic mind, leadership ability, emotional maturity, communications skills, the ability to attract and inspire other talented people, entrepreneurial instincts, functional skills, and the ability to deliver results" (Michaels *et al.*, 2001).

Fishman (1998:104) identifies talent as "the most important corporate resource over the next 20 years, and they are smart, sophisticated business people who are technologically literate, globally astute, and operationally agile." Van Dijk (2008:385) defines talent as the product of ability (competence, education, training and experience), coupled with motivation (engagement, satisfaction, challenge and wellness) and opportunity. Iles (2008:215) sees talent as the employees "who are particularly valuable to an organisation – either in view their 'high potential' for the future or because they are fulfilling business/operation-critical roles." Most recently, Tansley *et al.* (2007) distil the nature of talent as follows: "Talent consists of those individuals who can make a difference to organisational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential". Chowdhury (2002) perceives talent as the 'spirit' of an enterprise, being temperamental, creative, rule-breakers and change-initiators. Berger (2004) offers an equivalent definition of talent as 'super keeper', based on a classification of employees according to their actual and/or potential for adding value to the organisation: "Super keepers are a very small group of individuals, who have demonstrated superior accomplishments, have inspired others to attain superior accomplishments, and who embody the core competencies and values of the organisation; their loss or absence

severely retards organisation growth because of their 24 disproportionately powerful impact on current and future organisation performance” (Berger & Berger, 2004:5).

The above definitions of talent all see talented individuals as contributing to the companies' competitive advantage, because they drive companies forward through their outstanding competence and ability. In this sense, it is not possible for everyone in the organisation to be considered as a talent; talented employees are fundamentally different from the others in terms of their current and past performance as well as their evaluated potential and competence. Sullivan (2007) defines talent management as the integrated process of ensuring that an organisation has a continuous supply of highly productive individuals in the right job, at the right time. Rather than a onetime event, talent management is a continuous process that plans talent needs, builds an image to attract the very best, ensures that new hires are immediately productive, helps to retain the very best, and facilitates the continuous movement of talent to where it can have the greatest impact within the organisation. Paradise (2009) defines talent management as a holistic approach to optimising human capital, which enables an organisation to drive short- and long-term results by building culture, engagement, capability, and capacity through integrated talent acquisition, development, and deployment processes that are aligned with business goals.

Talent management is an organisation's ability to effectively acquire, develop and retain high performing individuals in critical jobs. In a study conducted by Engen (2008a) it was recognised that everyone has talent; however, to achieve organisational strategic goals, the differentiation of talent and its associated investment is required. This will result in the customisation of the talent management approach for different categories of talent. Categories of talent will be defined in terms of a potential and performance mix (Engen, 2008a). Van Dijk (2008:385) defines talent management as the strategic integrated approach to managing a career from attracting, retaining, and developing to transitioning the organisation's human resources. Nevertheless, it would be improper to assume that one definition suits all businesses, as businesses exist for different reasons and have different interests.

Having said that, the definition of talent management will differ from company to company. In some businesses, talent is viewed as the full complement of the establishment of the workforce. In others, only top management is considered, while a group of some businesses only look at the top talent. The talent management process will therefore be driven by the prevailing philosophy of an organisation. Workforce management states that talent

management ensures that the right people, with the right skills are in the right place, and are engaged in and focused on the right activities to achieve targeted business results. It is a complete set of processes an organisation employs to identify, acquire, deploy, develop and manage the people it needs to successfully execute its business strategy.

### **2.3.TALENT MANAHEMENT PRACTICES IN SOEs**

Talent management practices result in increased competitive advantages for organisations (Heinen & O'Neill, 2004), which, in turn, can lead to decreased turnover intentions and actual turnover. According to McCauley and Wakefield (2006), talent management practices play a critical role in the attraction, growth and retention of highly skilled employees for organisations. Moreover, the authors suggest that talent management practices need to be more strategic, connected and broad-based than ever before.

In a study carried out by Accenture and Tilburg (2009) on the effectiveness of talent management practices, the findings showed that investing in 16 talent management practices in contrast to not investing at all results in 27% higher fulfilment of the psychological contract, 34% less violation, 13% more commitment and 19% less intention to quit. The results of this study correspond with the outcomes of Sonnenberg's (2011) research, which found that high investment in talent management practices lead to 30.1% higher fulfilment of the psychological contract, 16.2% lower violation, 20.3% higher commitment, 18.5% lower turnover intention, 8.2% higher feelings of wellbeing, and 11.3% higher feelings of fairness. The findings of these studies show that investing in talent management practices and human capital results in desirable consequences, adds value to the organisation and has a significant effect on employees' commitment and turnover intentions.

From a South African perspective, existing studies conducted in South Africa (Du Plessis *et al.*, 2010; Mpofu & Barkhuizen, 2013; Mtila, Barkhuizen & Mokgele, 2013) indicate that talent management practices are inadequately utilised in most South African organisations. Barkhuizen *et al.* (2014) maintain that talent management practices relating to talent acquisition and retention, performance management and talent development affect the effective management of talented employees. It should be noted that the effective management of talented employees results in positive organisational outcomes, such as increased competitiveness and business results. In individuals, it results in outcomes such as greater motivational levels, job satisfaction, increased commitment, and, in turn, results

in more engaged employees and reduced turnover intentions (Oehley, 2007; Du Plessis, 2010; Magolego *et al.*, 2013; Barkhuizen *et al.*, 2014; Smith, 2014).

Barkhuizen *et al.*'s (2014) study showed that some talent management practices, which include management commitment, the talent review process and talent development, were positively significantly related to the dimensions of employee engagement (vigour, dedication & absorption). However, the effects were mostly small to medium. According to Lockwood (2006), effective talent management practices result in more engaged employees, high commitment to human capital and lower turnover. Moreover, the author posits that employees who are committed to the organisation perform 20% better and are 87% less likely to quit their jobs. Furthermore, Lockwood (2006) argues that effective talent management practices have a significant impact on employee engagement.

Talent management practices are characterised by the talent culture, management support, performance management, compensation, talent strategy, talent planning, talent attraction and talent retention. The next section will review these aspects in relation to SOEs and other organisations

### **2.3.1. Talent culture**

During change and organisational reorganisation, the talent culture of a company may shift. According to Jones and Jones (2010), an organisation may re-evaluate its basic structure and employees may find this disconcerting. In this environment, talent managers need to recognise how relevant organisational culture is to the sustainability of an organisation's mission and should send a positive message about the company to recruits and to current employees, helping them understand their prospects for growth, development and promotional opportunities that may exist as a result of change within the company (Shahid & Azhar, 2013).

Schein, (2010) mentions that leaders and directors create a talent culture in an organisation through the actions they take and through their focus in an organisation. Schein further mentions that leaders also create talent culture by what or who they reward and by how they allocate the resources in an organisation. Talent managers then have a duty to share this message with new recruits, and to continue to share this message with employees as part of the culture-building process within an organisation (Keohane, 2014). Employees coming into the organisation may ask questions about an organisation's beliefs, value system and

culture. The talent manager needs to be able to answer questions about culture with ease and clarity (Block, 2011).

### **2.3.2. Management support**

According to Antoncic and Hisrich (2004), an environment where management support is active and consistent is productive. In support of entrepreneurship in the workplace, De Villiers-Scheepers (2012:409) states that management support “plays a key role in encouraging employees to believe that innovation is expected of all organisation members.” In a study by Salehi and Yousefi (2011) on entrepreneurship in the banking sector, it was confirmed that managerial support can lead to higher levels of entrepreneurial activity. De Villiers-Scheepers (2012:410) explains that management support for corporate entrepreneur “can take many forms, the most prominent being items such as championing innovative ideas, recognition of people who articulate ideas, providing the necessary resources or expertise or institutionalising entrepreneurial activity within the firm’s system and processes”. These initiatives therefore indicate that management in any organisation plays a far-reaching and vital role in furthering corporate entrepreneurial actions.

### **2.3.3. Performance management**

Armstrong and Baron (2000:69) maintain that “performance management is a process which is designed to improve organisational, team and individual performance and which is owned and driven by line managers.” According to Israelite (2009), performance management is the core of talent management. Moreover, the author suggests that the performance management process is currently used by many organisations to establish the foundation for much of the rest of talent management. Grobler, Warnich, Carell, Elbert and Hatfield (2011:293) define performance management as “a process which significantly affects organisational success by having managers and employees work together to set expectations, review results and reward performance.”

Numerous researchers have identified performance management as a major aspect of talent management (Romans & Lardner, 2006; Scheweyer, 2004; Romans & Lardner, 2006:36; Scheweyer, 2004). Heinen and O’Neill (2004) identified performance management, recruiting, selection, mentoring, career development, succession planning, leadership development, career planning, and recognition and rewards as the practices that are related to talent management. The authors argue that the identified talent management practices must be aligned, integrated and designed to fit the strategic requirements of the business

(Heinen & O'Neill, 2004). Martel (2003) is of the view that talent management practices, including performance management systems, support talent management and employee engagement.

Garrow and Hirsh (2008) suggest that developing talent management into the performance management process is essential to ensure that organisations have significant returns on their investments. The authors regard performance management to be a critical function for talent identification and development (Garrow & Hirsh, 2008).

#### **2.3.4. Compensation**

Compensation refers to a wide range of financial and non-financial rewards to employees for their services rendered to the organisation (Tornikoski, 2011). It is paid in the form of wages, salaries and employee benefits such as paid vacations, insurance, maternity leave, free travel facilities, and retirement benefits (Tornikoski, 2011). Monetary payments are a direct form of compensating the employees and have a great impact on motivating employees (Jones & Jones, 2010). The system of compensation should be designed in such a manner that it achieves the following objectives. The capable employees are attracted towards the organisation. The employees are motivated for better performance. The employees do not leave the employer frequently (Moragwa, 2013).

In general, 'compensation' includes any payment made by an employer to an employee for services rendered during the course of the employer's business (Odunlade, 2012). Compensation is a systematic approach to providing monetary value to employees in exchange for work performed (Sandhya & Kumar, 2011). Compensation may achieve several purposes assisting in recruitment, job performance, and job satisfaction (Mone & London, 2014). An ideal compensation management system will help you significantly boost the performance of your employees and create a more engaged workforce that is willing to go the extra mile for your organisation. Such a system should be well defined and uniform and should apply to all levels of the organisation as a general system. Furthermore, you will enjoy clearer visibility into individual employee performance when it is time to make critical compensation planning decisions (Mone & London, 2014). With effective compensation management, you will also enjoy clearer visibility into individual employee performance when it is time to make critical compensation planning decisions. These performance appraisals assist in determining compensation and benefits, but they are also instrumental in identifying ways to help individuals improve their current positions and prepare for future opportunities (Sandhya & Kumar, 2011). Human resources are the most vital resource for



any organisation. It is responsible for each and every decision taken, each and every piece of work done and each and every result. Employees should be managed properly and motivated by providing the best remuneration and compensation as per industry standards. The lucrative compensation will also serve the need of attracting and retaining the best employees (Rummler & Brache, 2012).

### **2.3.5 Talent strategy**

According to the Human Capital Institute (2008:6), “talent management is a complex discipline, encompassing a wide array of programs and processes”, and for such initiatives to be successful, a concrete talent strategy must serve as a constant guide, providing direction on how the organisation will acquire, develop, and retain employees, while always reflecting the key business goals of the organisation. The Human Capital Institute (2008) suggests that the talent strategies of successful companies are embedded in the overall strategic planning process, and integrated into individual programmes and practices to ensure they are all driving toward the same set of objectives.

The findings by the Human Capital Institute’s (2008) study showed a limited alignment of talent with business strategy despite management support. Moreover, the survey results showed a lack of consistent execution and integration of talent management practices in most organisations, with only 21% of companies consistently doing so. Additionally, the survey showed that organisations are building strong employment brands as part of their talent strategy to attract the best talent (Human Capital Institute, 2008).

According to Stadler (2011), existing research shows that many organisations do not have a talent strategy. Guthridge *et al.* (2008) maintain that organisations attempting to win the war on talent must invest in strategies and practices that attract, motivate and retain talent. Moreover, Guthridge *et al.* (2008) suggest that organisations should ensure that their talent strategies are focused on all employees and not just the top performers. The authors argue that different factors allow people from diverse backgrounds, genders, ages, and nationalities to want to stay with a company. They contend that focusing on all employees is the only way in which talent management can establish itself at the heart of business strategy (Guthridge *et al.*, 2008).

Srivastava and Bhatnagar (2008) maintain that organisations should develop effective, practical and holistic talent strategies that will not only attract talent, but also address

employee engagement and the retention of key skills, thereby boosting productivity and business performance.

### **2.3.6 Talent planning**

Talent planning is the first and hardest step; it means deeply understanding the organisation's business goals and the competitive environment the organisation functions in, and it is a combination of understanding and predicating demand, while at the same time being educated and aware of the talent supply situation from all the sources that are available (Sanghi, 2016e). This step needs to be far more than simply listing the jobs projected in the annual budgeting process and factoring in turnover. It is an evolving process, as opposed to an annual event, and is the most dynamic and critical stage of any strategic planning step (Alvesson, 2012).

According to Queensland Public Service (2008), workforce planning deals with having the right people with the right skills in the right place at the right time. It is more about developing an understanding of the make-up of the current workforce, the environment in which it works and will work in the future, and necessary skills, capabilities and aptitudes that will be required to achieve business outcomes in an ever-changing environment. According to Agarwala (2007), human resource planning helps a firm determine its human resource requirements and develop action plans to meet these requirements. However, according to the Human Capital Institute (2008), workforce planning in most organisations is short-term focused. Effective workforce planning requires a clear understanding of what talent is currently in place and what is required to be successful in the future. In the study carried out, they found that although a considerable number of companies say they conduct workforce planning broadly across all divisions and business units, only a small percentage of this is doing so consistently throughout the organisation.

### **2.3.7 Talent attraction**

Fuller and Farrington (2010) consider that it is needed to attract, retain and develop talent, and this is the biggest challenge of human resource managers. Talent requires inspiration, space and time. Olsen (2000:24) states: "The Company's traditional department-oriented staffing and recruiting process needs to be converted to an enterprise wide human talent attraction and retention effort." Other authors argue that talent retention is achieved through training programmes and appropriate development (Cohn, Khurana & Reeves, 2005:64). Among the many authors, there is consensus that with the artists, the talent should be

sought, hired, managed and rewarded through differential compensation. For example, Axelrod *et al.* (2002) consider that, based on the 'War for Talent', an organisation should hire only the best and most competent. Retaining talent is one of the biggest challenges of talent management. Strategies for retaining talent are therefore increasingly complex and include a strong commitment by top management so that all employees are managed as talent.

### **2.3.8 Talent retention**

Talent retention has recently received increased interest in the literature, separately and as part of talent management strategies. According to Kerr-Phillips and Thomas (2009), South Africa is currently facing a skills crisis, especially pertaining to the retention of its top talent or knowledge workers. Moreover, talent retention has become a major priority for organisations due to increased competition and the scarcity of highly talented and skilled employees (Fegley, 2006). The author posits that the emphasis on human capital is now being aligned with management processes such as succession planning, leadership development, retention and career planning (Fegley, 2006). Frank, Finnegan and Taylor (2004) define talent retention as the effort by an employer to keep desirable workers, in order to meet business objectives.

Masibigiri and Nienabe (2011) suggest that talent retention is important because labour turnover results in organisations incurring direct costs (for example, recruitment and placement costs), and indirect costs (for example, losing tacit knowledge as a result of employees leaving the organisation). Amid high competition for scarce talent, Kontoghiorghes and Frangou (2009) suggest that executives are concerned with their organisation's ability to locate, attract, hire, develop, and retain the skilled and qualified people needed to run their companies. In a study conducted by Bhatnagar (2007), the findings indicated that a good level of employee engagement might result in a high retention of talent. This section of the literature review provided a comprehensive and critical analysis of the concepts of talent and talent management. Several trends and factors affecting the war for talent and expected talent shortages were identified, such as demographic changes of the workforce, globalisation, technological advancement, workforce diversity, ageing, increased job mobility of the employees, and the knowledge economy. Talent management practices relating to how organisations can attract, develop and retain talent were identified and reviewed. The practices affecting talent management such as the talent review process, talent acquisition, talent development, performance management, workforce planning, talent

strategy, talent retention and compensation were identified and discussed. The following section of the study reviews literature relating to information available on talent management in SOEs.

## **2.4. JOB SATISFACTION**

The concept of job satisfaction enjoys increasing attention from organisations these days, since its importance and pervasiveness in terms of organisational effectiveness have been firmly established quite some time ago. Managers now feel morally responsible for maintaining high levels of job satisfaction among their staff, most probably for its impact on productivity, absenteeism and staff turnover, as well as on union activity (Arnold & Feldman, 1986). The importance attached to job satisfaction was already significant during the first part of the 20<sup>th</sup> century, and Locke (1976) reported, for example, that more than 3 000 related studies were published between 1935 and 1976 – an average of one publication every five days. Organisations recognise that having a workforce that derives satisfaction from their work contributes hugely towards organisational effectiveness and its ultimate survival. Job satisfaction is regarded as related to important employee and organisational outcomes, ranging from job performance to health and longevity (Spector, 2003).

The importance of job satisfaction in the workplace is underscored by its inextricable connection to a person's entire life. Since a person's job is an all-important part of his life, it follows that job satisfaction is part of life satisfaction. The nature of the environment outside of the job directly influences a person's feelings and behaviour on the job (Hadebe, 2001).

### **2.4.1. Defining job satisfaction**

Job satisfaction is defined as the extent to which employees like their work (Ellickson, 2002). It is an attitude that people have about their job and the organisation in which they work (Rad & Yarmohammadian, 2006). It also has to do with the employee's perception and evaluation of his job, and this perception is influenced by his needs, values and expectations (Sempene *et al.*, 2002). It is a concept that indicates the mental and spiritual enjoyment that one gains from his job through the satisfaction of needs, interests and hopes (Alavi & Askaripur, 2003). Even though several different definitions have been proposed, they all point in the same direction; the attitude an employee has towards his job.

### **2.4.2. Current status of job satisfaction in SOEs**

Research has proven that most employees in SOEs as well as other business organisations are not satisfied with their jobs (Ellickson, 2002; Spector, 2003). This can be as a result of the nature and condition at their place of work, the workload placed on them, the incentives they get and the ability to do the job. Sempene *et al.* (2002) maintain that most employees, even though they have the qualifications, sometimes do not have sufficient knowledge to operate in a given environment. Therefore, they have to be trained and equipped in the enterprise.

## **2.5.TURNOVER INTENTIONS**

Almalki *et al.* (2012), in their study, discovered important associations between turnover intention and demographic variables of gender, age, legal status, dependent kids, education level, nursing tenure, organisational tenure, point tenure, and payment per month. The PHC nurses during this study conjointly indicated low satisfaction with their QWL and a high turnover intention.

Ahmad *et al.* (2012) concluded that job satisfaction is significantly and negatively correlated with turnover intention. Furthermore, job stress has a significant negative relationship with turnover intention. It has been evidenced that employees who experience more job stress have more intention to quit. Khadija Al Arkoubi *et al.* (2011) explored some determinants of turnover intention. They proposed a model hypothesising the existence of relationships between fairness and recognition and job satisfaction. The latter, along with commitment, is perceived in this model as negatively related to the intent to quit. These are not the only two factors that lead to turnover intentions – there are many other factors that can lead to turnover intentions.

Lovie-Tremblay *et al.* (2011), in their study, found that there were no differences in Generation Y and X nurses with respect to their perceptions of the nursing work environment and their intention to leave their position or the profession. There is an inverse relationship between age and turnover intentions. This finding contributed to the fact that older nurses had increased job satisfaction and organisational commitment compared to their younger peers. Apart from age differences, the actual work environment also has an effect on the turnover intentions of the nurses. Galetta and Maura (2011) found that having the opportunity of responsibility and freedom to develop own work activities could encourage the sense of identification and attachment to work environment that, in turn, can reduce the turnover intention. The research also showed the importance of intrinsic motivation to

promote affective commitment; also that the affective commitment completely mediates the relationship between intrinsic motivation and turnover intention. This means that employees are intrinsically motivated towards their own work, and develop a sense of identification and attachment to their organisation, which, in turn, is negatively related to turnover intention (Galetta & Maura, 2011).

Perez (2008), in the study on '*Turnover Intent*', revealed that age has a negative relationship with turnover intent, indicating that the older an employee gets, the less he intends to leave. Tenure also showed to be significantly correlated with the dependent variable. The longer an individual is employed, the less the individual will have intentions to leave. Apart from the other variables, job satisfaction has also been shown to have the highest impact on turnover intention. Gurpreet (2007) concluded that there are significant correlations between turnover intention and demographic variables such as age, qualification and designation, and it was found that age, designation and experience are negatively and significantly correlated with turnover intentions. This shows that the intentions of an individual to leave the organisation are greatly influenced by age, designation and experience of the individual. The negative correlation reveals that with increases in age, experiences and status in the organisation, the intentions to quit decrease significantly.

### **2.5.1. Meaning of turnover intentions**

Turnover intention (intention to quit) – the final sequence of withdrawal cognitions in the turnover process – denotes the probability that employees will quit their job in the foreseeable future (Perez, 2008). Although all turnover intentions may not lead to actual turnover behaviour, employees' intention to leave represents an important outcome variable (Chang *et al.*, 2013). Research has consistently shown that it is the most powerful predictor of actual turnover behaviour (e.g. Bluedorn, 1982; Firth, Mellor, Moore & Loquet, 2004; Griffeth, Hom, Gaertner, 2000; Hom, Caranikas-Walker, Prussia & Griffeth, 1992; Van Breukelen, Van der Vlist & Steensmaet, 2004; Mobley, Horner & Hollingworth, 1978; Steel & Ovalle, 1984).

### **2.5.2. Turnover intentions in SOEs**

Employee turnover in the workplace has received much attention from researchers. Within these studies, employee turnover is defined as the number of employees who leave the employment of an organisation (DeNisi & Griffin, 2008). Turnover intention is defined as an individual employee's intention to stay or quit (Joseph *et al.*, 2007). These intentions are

often used as proxies to study actual employee turnover because of the difficulties involved in a longitudinal study (Jessor & Jessor, 1975). Numerous theories have been drawn upon in past work in an attempt to explain the turnover phenomenon. These include the met expectations model (Porter & Steers, 1973); the theory of organisational equilibrium (March & Simon, 1958); the unfolding model of turnover (Lee & Mitchell, 1994; Lee, Mitchell, Holtom, McDaneil & Hill, 1999; Lee, Mitchell, Wise & Fireman, 1996); the job embeddedness theory of turnover (Mitchell & Lee, 2001); and the linkage model (Mobley 1977; Mobley, Horner & Hollingsworth, 1978). These theories are summarised in Table 2.1 below.

**Table 2.1: Employee turnover theories**

<b>Theory</b>	<b>Description</b>	<b>Key constructs</b>	<b>Example of study</b>
Met expectations model	March and Simon argue that turnover occurs when individuals perceive that the incentives they receive are less than their contributions to an organisation.	<ul style="list-style-type: none"> <li>• Desire to move</li> <li>• Job satisfaction</li> <li>• Ease of movement</li> <li>• Employability</li> </ul>	Irving and Meyer (1994)
The theory of organisational equilibrium	Porter and Steers (1973) posit that “the discrepancy between what a person encounters on the job in the way of positive and negative experiences and what he expected to encounter” is a key determinant in turnover decisions.	<ul style="list-style-type: none"> <li>• Job dissatisfaction</li> <li>• Rewards</li> <li>• Advancement</li> <li>• Relations with peers.</li> <li>• Relations with supervisors</li> </ul>	Subramony, Krause, Norton and Burns (2008)

Job embeddedness theory of turnover	Individuals stay with their organisations because they are prevented from quitting their jobs due to being enmeshed in a web that prevents them.	<ul style="list-style-type: none"> <li>• Strong links with people</li> <li>• Strong links with activities</li> <li>• Fit with their jobs</li> <li>• Fit with their communities</li> <li>• Greater sacrifices</li> </ul>	Sharif, Shahidi & Mahmood (2010)
The linkage model	Series of withdrawal cognitions (e.g. thoughts of quitting, job search intentions, and job search utility evaluations) are triggered due to job dissatisfaction that results in job search behaviour.	<ul style="list-style-type: none"> <li>• Job dissatisfaction</li> <li>• Thoughts of quitting</li> <li>• Job search</li> <li>• Job search intention</li> </ul>	Hom, Caranikas, Walker, Prussia & Griffeth (1992)

Common to all the theories above is the importance of job satisfaction to turnover (Hom *et al.*, 1992; Mobley, 1977; Smith & Speight, 2006). Therefore, job satisfaction is identified as a central construct in the prediction of turnover and turnover intentions.

## 2.6 RELATING TALENT MANAGEMENT, JOB SATISFACTION AND TURNOVER INTENTIONS

Allen *et al.* (2003) believe that even though the job satisfaction, talent management and turnover intention are not the absolute causal relationship, as an organisational leader or management who should minimise staff dissatisfaction, thereby reducing turnover. Job satisfaction is usually caused by the difference between individual job expectations and the actual work situation. Deery (2008) claims that employee satisfaction is able to play a key role in affecting the success of organisational performance – no employee satisfaction, no customer satisfaction. Only with employee satisfaction, can the customer get good service and satisfaction; employee satisfaction can significantly increase the organisational benefits and efficiency. Furthermore, the companies with high employee satisfaction normally have low mobility rates; this can reduce the operational cost due to the lower employee turnover



rate. Employees with a higher degree of satisfaction will throw themselves into the work with greater enthusiasm, creating greater efficiency, higher productivity, and more profits.

Pfeffer (1998) notes that the external incentives such as pay and income can stimulate employees' creativity and improve their satisfaction. However, Mitchell *et al.* (2001) believe that the work environment, career development, leadership and other internal motivation factors, rather than monetary factors, can really inspire employees' loyalty and creativity. The combination of stimulating incentives such as personal motivation, team motivation, organisation and non-monetary incentives should be used in order to keep the key staff on board.

Butler and Waldroop (2001) believe that the implementation of motivation affects the achievement of employees' individual needs and then increases employees' work enthusiasm, and guide their behaviour in business operations. The material requisite is one of the basic needs of employees. Chiu *et al.* (2002) claim that the changes of employee pay level can deliver the organisational goals, develop strategies and even transmit the management intentions to employees, timely and effectively. For example, a pay raise means the employee's performance has been recognised by the organisation; the adoption of merit pay system, or increasing the merit pay (or bonus) proportion means the companies encourage competition between employees or departments; using an annual salary system means the organisations prefer employees to work long term for the enterprise. Compensation management can be used as an accessory means to transfer business information to the employees multi-directionally (Stone, 2008).

## **2.7 RELATING TALENT MANAGEMENT AND JOB SATISFACTION**

Job satisfaction plays a vital role in enhancing both organisational and individual performance and productivity. Deery (2008) argues that existing literature relating to talent retention focuses more on traditional causes such as the lack of job satisfaction and organisational commitment. Tymon Jr *et al.* (2010) developed and tested a model of talent management across 28 Indian firms involving 4 811 professional-level employees. The authors investigated four antecedents of intrinsic rewards: Performance management, pride in the organisation, manager support and the social responsibility of the employer. The study showed that intrinsic rewards play a critical role in employee retention, satisfaction with the organisation, and career success (Tymon Jr *et al.*, 2010).

Deery (2008) conducted a study on talent management, work-life balance and retention strategies. The study focused more on job attitudes such as job satisfaction and organisational commitment. In another study conducted by Bethke-Langenegger *et al.* (2011), talent management practices focusing on retaining and developing talents had a significant positive impact on human resource outcomes such as job satisfaction, motivation and commitment.

Based on a review of existing literature on talent management practices and job satisfaction, the following hypothesis was formulated:

Hypothesis H1: There is a significant positive relationship between talent management practices and job satisfaction.

## **2.8 RELATING TALENT MANAGEMENT AND TURNOVER INTENTIONS**

In the present 'war for talent', labour turnover has become a critical issue as organisations are confronted with the predicament of losing their most talented and skilled employees (Boshoff *et al.*, 2002; Taplin & Winterton, 2007; Grobler & De Bruyn, 2011). To compete in a knowledge-based and hyper-connected global economy, organisations have to attract, develop and retain talent (Boninelli & Meyer, 2004). Fitz-enz and Phillips (1998) argue that the retention of key employees is probably the biggest challenge in human capital management today. Studies have consistently shown that employees who are deemed to be talented and of high potential to the organisation are more productive (Becker, Huselid, Pickus & Spratt, 1997), committed to the organisation (Anand, Vidyarthi, Liden & Rousseau, 2010; Hornung, Rousseau, Glaser, Angerer & Weigl, 2010), and are satisfied with their jobs, and have lower intention to quit (Dyer & Reeves, 1995).

However, Gelens, Dries, Hofmans and Pepermans (2013) argue that existing studies focus more on high potentials rather than non-high potentials that are not targeted by talent management practices. The authors suggest that non-high potential employees, unlike high ones, may not show similar positive reactions such as high commitment and low turnover intentions (Gelens *et al.*, 2013). Darvish *et al.* (2012) conducted an empirical study on the relationship between talent management competencies and intention to quit. The findings of this study showed a significant inverse relationship between talent management competencies and intention to quit. The authors concluded that organisations could make use of talent management competencies to reduce employees' intention to leave the organisation (Darvish *et al.*, 2012). Oehley's (2007) study showed that the talent

management competencies of attracting and recruiting talent have a significant effect on employees' intention to quit the organisation. Du Plessis's (2010) study, on the other hand, showed a medium, significant negative relationship between employees' perception of the organisation's talent management practices and their intention to quit the organisation.

The author suggests that high levels of perception of the application of talent management practices result in low levels of employees' intention to quit the organisation (Du Plessis, 2010). Based on a review of previous research and findings on talent management practices and intention to quit, the following hypothesis was formulated:

Hypothesis 2: There is a significant negative relationship between talent management practices and intention to quit.

## **2.9 RELATING JOB SATISFACTION AND TURNOVER INTENTIONS**

A number of researchers have attempted to establish the reasons for employees' intention to leave an organisation by examining possible antecedents of employees' intention to quit (Kramer, McGraw & Schuler, 1997; Kalliath & Beck, 2001). Steers (1977) maintained that there is a lack of consensus on the direct relationship between job satisfaction and intention to quit, and on whether this relationship is mediated by organisational commitment. The author postulates that high levels of dissatisfaction could influence employees to leave or consider quitting their current jobs. Moore (2000) regards job satisfaction to be a major factor that influences employees' intention to quit. Job satisfaction is typically considered negatively related to intention to quit (Trevor, 2001). A number of researchers (Netemeyer, Johnston & Burton, 1990) have argued that job satisfaction is directly correlated to intention to quit or indirectly correlated to intention to quit (Brown & Peterson, 1994).

Sutherland and Jordaan (2004) conducted a study on the factors affecting the retention of knowledge workers in South Africa. Their findings showed that job satisfaction correlates significantly with intention to quit. Moreover, the authors identified promotion opportunities and the nature of the work as major components of job satisfaction that correlated strongly with intention to quit (Sutherland & Jordaan, 2004). In another South African study, Pienaar *et al.* (2007) found a strong negative correlation between job satisfaction and intention to quit. The authors argued that, in terms of the negative association between job satisfaction and turnover intention, their findings are consistent with that of prior studies (Tzeng, 2002; Van Dick, Christ, Stellmacher, Wagner, Ahlswede, Grubba & Tissington, 2014). According to Lok Wang, Westwood and Crawford (2007), the major factors of job satisfaction that

influence intention to quit are management support, remuneration and motivation. In a study conducted by Seston, Hassell, Ferguson and Hann (2009) to explore the relationship between job satisfaction, intention to quit, and actual quitting, job satisfaction (78) was found to affect employees' intention to quit.

However, the authors noted that only a relatively small number of employees who expressed an intention to quit seemed to have done so indicating that intention may not have turned into action among the employees under study. Purani and Sahadev (2008) conducted a study in India to examine the effect of job satisfaction on sales employees' intention to quit. The authors' findings showed that experienced employees, with a long tenure in the organisation, were satisfied with their jobs and not inclined to quit. Spector (1997) indicates a strong relationship between job dissatisfaction and intention to leave an organisation. Shields and Ward (2001) concur with Spector (1997) and argue that job dissatisfaction is a significant predictor of employees' intention to quit. Intention to quit is mostly affected by job dissatisfaction and a lack of commitment (Firth *et al.*, 2004). Lok and Crawford (2004) argue that if employees are dissatisfied with their jobs, they will become less committed and will look for opportunities to quit. Robyn and Du Preez (2013) maintain that job satisfaction is significantly negatively related to intention to quit. The authors suggest that the more satisfied employees are with their jobs, the lower their intention to quit will be (Robyn & Du Preez, 2013). Based on a review of existing research literature and findings on the link between job satisfaction and intention to quit, the following hypothesis was formulated:

Hypothesis 3: There is a significant negative relationship between job satisfaction and intention to quit.

## **2.10. CONCLUSION**

This literature review has only provided a broad outline of the related aspects of talent management, job satisfaction and turnover intentions retention strategies and the intentions of SOE employees to quit. A great deal of research has been done on the individual aspects. However, not much has been done on all three of these aspects combined. As a result, it has been difficult to find the most relevant literature about the interaction between these aspects. Additional to these three aspects, concepts were identified that are directly related to the aspects and have an effect on the aspects. The next chapter discusses the research design and method applied in this study.

## **CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY**

### **3.1. INTRODUCTION**

According to De Vos, Strydom, Fouche and Delport (2005:132), a research design is a plan or blueprint of how one intends to conduct research. This therefore envisages that a research problem or hypothesis is at hand, which forms a point of departure. Research design is a process involving several steps or phases. A carefully planned research design focuses on the end product (de Vos *et al.*, 2005: 132). Any scientific research study involves the application of various methods (also referred to as strategies or approaches) and procedures to create scientific knowledge (Welman & Kruger, 2009:2). The legitimacy of this knowledge depends on the manner in which data has been gathered, which is the research methodology. Therefore, scientific knowledge is acquired using stringent methodologies and techniques to ensure the reliability of the data. Put another way, scientific knowledge is obtainable through rigorous methods and techniques that in some controllable way correspond with the social world that is being described.

There are innumerable techniques available for social research. The methods or techniques used may very well depend on the aims and objectives of the study. One of the most critical features of research in Business Administration studies is to decide on an appropriate starting point for the research, for the conceptual framework or research strategy within which the evidence will be collected and analysed (Remenyi *et al.*, 2008:120). Deciding on where to start and establishing the framework for the study are often challenging and can present huge difficulties.

This study sought to explore the relationship between talent management, job satisfaction and employees turnover in ESKOM as an SOE in Mmabatho, North West.

### **3.2. RESEARCH DESIGN**

The expression 'research design' indicates both a process and a product directed toward the construction of sound judgements (Justice 2008:75). According to Crittenden, (2006:1-13), and Richard and Morse, (2007), there are three commonly used research approaches, which are qualitative approach, quantitative approach and mixed-method approach (which is a combination of both). This study employed the quantitative approach. This approach was employed because its philosophical assumption is rooted in positivist theory, which is

mainly focused on 'scientific research reality' and therefore it makes use of statistical data to analyse findings from the study (Crittenden, 2006).

This research study employed the aforementioned research design due to the following reasons:

- A quantitative study enables the goal of obtaining a representative, qualitative sample for the purpose of enhancing qualitative findings.
- A quantitative study enhances the generalisability of a qualitative study.
- Using a quantitative study first helps quantitative researchers define a population of interest based on specific research findings gathered from the quantitative study.

### **3.3. LITERATURE REVIEW**

A study of relevant literature is usually an integral part of any study. Taking the cue from Kumar (in Govender 2008:245), a literature review survey supports research in the ensuing manners:

- It provides a theoretical background to the work.
- It assists with determining the research methodology; that is, it links the subject matter to problems being researched; and
- Findings and recommendations can be contextualised and fed back to the body of knowledge.

According to Fox and Bayat (in Subban 2008:170), a literature review is a critical evaluation and synopsis of a range of past and current literature in any given field of knowledge (Subban, 2008:171). To this end, the researcher undertook an extensive review of literature in the field of study. The researcher then examined the policies, documented debates, programmes, political structures and other related documents of key stakeholders, searching for, in particular, the significance of public entities. All literature was meticulously considered during the study and formed the basis of the key findings and general conclusions of this thesis.

A literature review is referred to as secondary data and can provide useful information to researchers. This work relied on quantitative data from a range of sources, which were secured from research papers and studies by individuals and organisations. Due to the complex nature of the study, the literature review involved research on and understanding the following concepts: systems, open systems, organisations, local government organisations, and sustainable frameworks. Many experts such government analysts and

commentators' analyses and reports were consulted. Some of these reports were strictly statistical data drawn from actual SOE records. This method in the study provided useful insights into the subject matter of talent management, job satisfaction and turnover.

### **3.4. RESEARCH METHODOLOGY**

The purpose of research is to cover complex issues, crystallise findings and provide reasons for prevailing circumstances, and if and when necessary, determine solutions to improve on what exists. On that basis, it is necessary to select an appropriate methodology (Barichievy, 2006:59). A methodology is defined as the "logic of the application of scientific methods to the investigation of phenomena" (Mouton & Marais, 2008:158). According to Mason (in Silverman, 2005:109), methodology is regarded as "a general approach to studying research topics". Accordingly, the methodology shapes which methods are used and how each method is used (Silverman, 2005:109). For this study, the population for the study, sampling size, and data collection techniques and data analysis will be discussed in this section.

#### **3.4.1. Description of target population**

Gray (2009) is of the opinion that the population of a study is the fraction or portion of the universe focused on by a researcher and mostly used in a quantitative study. The target population for this study is the SOE in Mmabatho. A state-owned enterprise is a legal entity that undertakes commercial activities on behalf of the state, its owner. The legal status of SOEs varies from being a part of the government to being stock companies with the state as a regular stockholder.

State Owned Enterprises in South Africa have been under scrutiny recently, with the media shedding some light on their shortcomings. Many newspapers are publishing articles on how most of the state's major SOEs are running at a loss which is forcing government to come to their rescue and bail them out of the financial crisis and loss of employees they are in (McGregor, 2012:10).

There are six SOEs in Mmabatho, which include ESKOM, Transnet, South African Express, Denel, South African Forestry Company (SAFCOL) and Alexcor. For the purpose of this study, the six case study were used in the study.

### 3.4.2. Sampling procedure

Due to the significance of sampling in any research activity, it is imperative to describe the procedure adopted in this study. Firstly, however, a sampling framework has to be determined. This is a process that involves determining all the elements of the universe, which can be finite or infinite (Jinabhai, 2008:247). Chetty (2008:112) alludes to the fact that a sample unit is the entity that is the focus of a survey. In order to select sample units, a sampling frame is needed. The sample frame could be obtained from several sources such as census lists and telephone directories. The sampling frame is a complete list of all the units from which the sample has been extracted (Chetty 2008:112).

The sample for this study includes the staff members working in the service department of the selected. Table 3.1 below gives the sample selected for the study.

Table 3.1: sample size

<b>SOE 1</b>	<b>SOE 2</b>	<b>SOE 3</b>	<b>SOE 4</b>	<b>SOE 5</b>	<b>SOE 6</b>	<b>TOTAL</b>	<b>TOTAL QUESTIONNAIRES COLLECTED AND USED FOR THE STUDY</b>
20 staff	20 staff	20 staff	20 staff	20 staff	20 staff	<b>120 staff</b>	<b>88 STAFF (73%)</b>

There are 150 staff members in this department, and 120 staff members (20 members of staff from each SOEs), including managers in service departments in the SOEs, were used for the study. These selected staff members were purposefully selected based on their experience and years at work. By analysing the sample, the researcher may draw conclusions or make deductions that allow generalisations about the target population (Sekaran in Chetty 2008:112). It is, however, important that that the sample used must be a reflection of the population being surveyed. A sample is used to avoid the laborious task of studying the entire population, analysing volumes of data and the high costs of bulk surveying.

Purposive sampling was used to select the staff members because this allows the researcher to use a particular subset of people in a selected group. According to Maree (2007:10), purposive sampling affords the researcher to acquire information from relevant and knowledgeable respondents. Purposive sampling also enables the researcher to ask



people who he or she thinks would provide relevant and clear information about the study (Gegede, 2000).

### **3.4.3. Survey methodology and measuring instruments**

Reliance was placed in this study on questionnaires for data collection. According to Mouton (in Barichievy 2005:67), “researchers ought to accept as a general principle that the inclusion of multi-sources of data collection in a research project is likely to increase the reliability of the observations.” Moreover, employing different techniques of data collection in a single study helps compensate for the limitations of each (Mouton quoted in Barichievy 2006:67).

The questions posed related to informal trading and the modelling thereof. Questions were clustered from business characteristics to economic growth and infrastructure perceptions to employee retention.

### **3.4.4. Questionnaire structure**

#### **3.4.4.1. Types of questionnaires**

There are two types of questionnaires in survey research, namely open-ended (unstructured) and closed-ended (structured) questionnaires (Neuman, 2000:148). These two types of questionnaires were employed in the study in order to obtain a greater understanding of the topic under review. In an open-ended question, respondents are asked to provide their own answers to questions. In closed-ended questions, respondents are provided with a list of answers by the researcher from which they are required to select one of the alternatives. Closed-ended questions facilitate easy quantification of the answers, because coding space is built into the questionnaire format at the time of its design (Thaanyane, 2008:4). Both types of questionnaires have advantages and disadvantages. Some of these are elaborated on hereunder:

#### **(a) Open-ended questions**

##### **(i) Advantages**

- Greater freedom of expression.
- No bias due to limited response range, and
- Respondents can qualify their answers (Neuman 2000:148).

(ii) Disadvantages

- Time consuming to code.
- Researchers/interviewers may interpret (and therefore misclassify) responses, and
- Freedom of choice may be compromised because some respondents may not be able to express themselves (Neuman 2000:148).

(b) Closed-ended questions

(i) Advantages

- Speedy access to data,
- Easy to code, and
- No difference between articulate and inarticulate respondents (Neuman 2000:148).

(b) Disadvantages

- Can draw misleading conclusions because of a limited range of options.
- Researchers/interviewers cannot deal with qualifications to responses, for example “yes, but...” or “it depends” where only “yes/no” options are required, and
- The given response pattern could condition the thinking of the respondents, and therefore the answers provided may not truly reflect respondents’ opinions or analysis of the situation (Danzinger *et al.*, 2008).

According to Neuman (in Thaanyane 2008:4), “the researcher should arrange the questions in the questionnaire so that they flow smoothly.” Furthermore, researchers should group questions that are related to the same aspect so as to avoid respondents switching their focus during the survey (Welman & Kruger 2001:170). In other words, respondents should be at ease when providing data.

Willemse (in Subban 2008:175) suggests that the following requirements be taken into account when compiling a questionnaire:

- Confidentiality should be assured.
- Provide choices of answers where possible.

- Questionnaire must be well designed where adequate space is provided for answers.
- Questions should not be intrusive or offensive.
- Emotive language and calculations on the part of respondents are averted, and
- Questions should be short and easy to understand.

The researcher took cognisance of these requirements when the questionnaire was designed to gauge the accessibility and response rate of the participants. All participants were allowed to disregard questions that made them feel uncomfortable. The measuring instrument that was used in this study is the questionnaire.

A talent management measure (Barkhuizen, 2005), job satisfaction questionnaire (author's own) and turnover intentions scale (Cohen, 1993) were used in this study.

Talent management: A talent management measure (Barkhuizen, 2005) was used to assess the talent management practices in this study. The measure consisted of 40 items and measured eight talent management practices: talent culture, management support, performance management, compensation, talent strategy, talent planning, talent attraction and talent retention. Responses were collected on a six-point Likert scale, ranging from 1 (strongly disagree) and 6 (strongly agree). Acceptable reliabilities have been obtained for this measure in various studies (see Magolego, 2016; Mpofo, 2013).

Job satisfaction questionnaire: A job satisfaction questionnaire was developed to measure the extent to which the participants were satisfied with their jobs. The questionnaire consisted of 13 items and measured responses on a six-point Likert scale ranging from not at all (1) to always (6).

Intention to quit scale: The questionnaire consists of three items, and assesses early career academics' intention to leave. Responses are measured on a six-point Likert scale ranging from strongly disagree (1) to strongly agree (6).

#### **3.4.5. Criteria for the selection of research assistants**

The researcher chose research assistants from the study areas. However, the entire survey was managed by the researcher, from start to completion. The main criteria used in the selection process were fluency in either English or Setswana, and that they possess a reasonable knowledge of services offered in SOEs. Huysamen (in Subban 2008:176) proposes that respondents' literacy levels must be taken into account when preparing a

questionnaire, and the respondent must be *au fait* (knowledgeable) with the subject matter. Therefore, all the research assistants were trained and supervised by the researcher throughout the study. They were trained to ensure that the questionnaire was correctly administered.

### **3.4.6. Data analysis**

The questionnaires were pre-tested before being administered to the sample. The purpose of pre-testing is to test the validity of the questionnaire for the present research and to determine how respondents would participate, also to correct any shortcomings by refining the questionnaire (Neuman, 2000:149).

The questionnaire was alpha-numerically named and data collected was summarised and entered into a computer. The data obtained was entered into a spreadsheet and the data analysis was done in consultation with the aid of a research statistician. The summary of the data was also presented in this study; hereafter, an overview of the respondents' responses was also analysed and discussed in relation to the study. Respondents' responses were presented in tables, charts, graphs and further interpretations of the data were made by the researcher.

The study made use of descriptive statistics in analysing and discussing the findings to the research questions. Descriptive statistics use the data to provide descriptions of the population, either through numerical calculations or graphs or tables (Newbold, Carlson & Thorne 2012). In determining this, measures of central tendency were measured. Different variables were explored by means of mean, median, range and proportion. The information was summarised and presented and hereafter discussed in a comparative manner. A hypothesis was also made by the researcher in order to examine the relationship between talent management, job satisfaction and employees' turnover in an SOE.

## **3.5. ETHICAL CONSIDERATIONS**

To the researcher, ethical consideration is very important as it guides the researcher in order not to step on respondents' rights. According to McMillian and Schumacher (2006:16), every researcher is ethically bound to protect the mental and physical interests of his or her respondents throughout the study to avoid harm. O'Leary (2010:41) is of the opinion that ethics is a moral value that guides one in a distinct profession. The researcher obtained

ethics clearance from the Faculty Ethics Committee of the North-West University, which permitted her to embark on the research.

The researcher took the letter of permission from the University Ethics Committee to the SOEs in Mmabatho where the study was conducted. The research purpose and benefit were clearly explained to the respondents and they were also told that participation is not compulsory and that everyone has the right to withdraw from the study for any reason.

### **3.6. CONCLUSION**

This is a complex field of study cutting across several disciplines; however, in the main, the study focuses on the relationship between talent management, job satisfaction and turnover of employees in selected six SOEs Mmabatho. The study employed a quantitative research design. The research methodology described comprised a population for the study, sampling, data collection instrument, data analysis and ethical considerations for the research.

## **CHAPTER 4: PRESENTATION AND DISCUSSION OF FINDINGS**

### **4.1 INTRODUCTION**

Chapter 3 discussed the research methods used to achieve the purpose of this study. The quantitative methods approach was adopted. The research methodology followed a methodological approach by adopting the non-empirical (literature review) studies and the empirical studies (quantitative study). The population of the study, sampling selection, data collection techniques, trustworthiness and ethical consideration of the study were well explained.

This chapter presents the empirical findings as obtained from the quantitative study and the literature review. The Statistical Package for Social Science (SPSS) as per the research design and methodology discussed in Chapter 3 was used to analyse the data collected from respondents. The chapter includes all the results obtained from the empirical statistical tests run on the data with regard to the objectives set for the study together with the applicable hypotheses.

The researcher distributed 120 questionnaires to the staff members in the selected SOE for the study; a total of 87 questionnaires were completely filled by respondents, resulting in a response rate of 73%. According to Serame (2011:32), a valid and reliable conclusion can be drawn by a researcher if at least a 70% response rate can be obtained from the distribution of questionnaires. It can therefore be said that, with a response rate of 73%, this study collected sufficient data to arrive at valid and reliable conclusions. The relationship between talent management, job satisfaction and employee turnover was shown in three phases for this study; which include the presentation of the sample demographic nature, the descriptive analysis of the data measurement instruments and hypothesis testing of the findings.

### **4.2 PHASE 1: SAMPLE DEMOGRAPHICS**

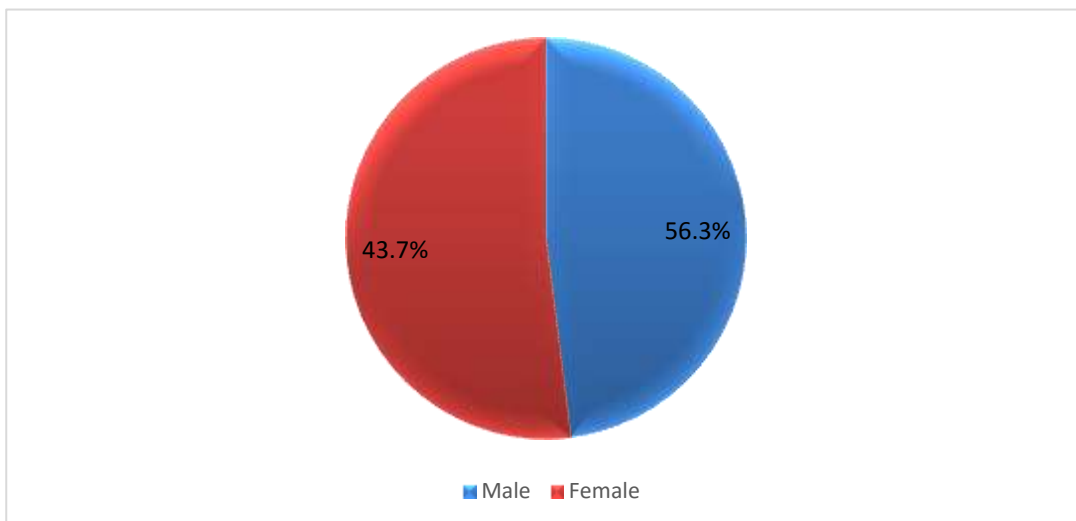
This section presents the findings, in frequencies and percentages, on the relationship between talent management, job satisfaction and employees turnover rate. The descriptive statistics helped to summarise the sets of data related to the set of population, as obtained from the quantitative study. The respondents' responses were presented using tables, frequencies, percentages and graphs. Findings in this regard have proven that gender, marital status, home language, ethnicity, age, educational qualification, work experience,

chances of promotion, years at current work and working hours are the demographic relationships in talent management, job satisfaction and employees turnover.

#### 4.2.1. Frequency analyses for gender

**Table 4.1** Frequency analyses for gender

	Frequency	Percent	Valid percent	Cumulative percent
<b>Female</b>	38	43.7	43.7	43.7
<b>Male</b>	49	56.3	56.3	100.0
<b>Total</b>	87	100.0	100.0	



**Figure 4.1: Respondents' gender**

Responses from Table 4.1 indicate that 56.3% of the staff members in the SOE are female, while 43.7% are male.

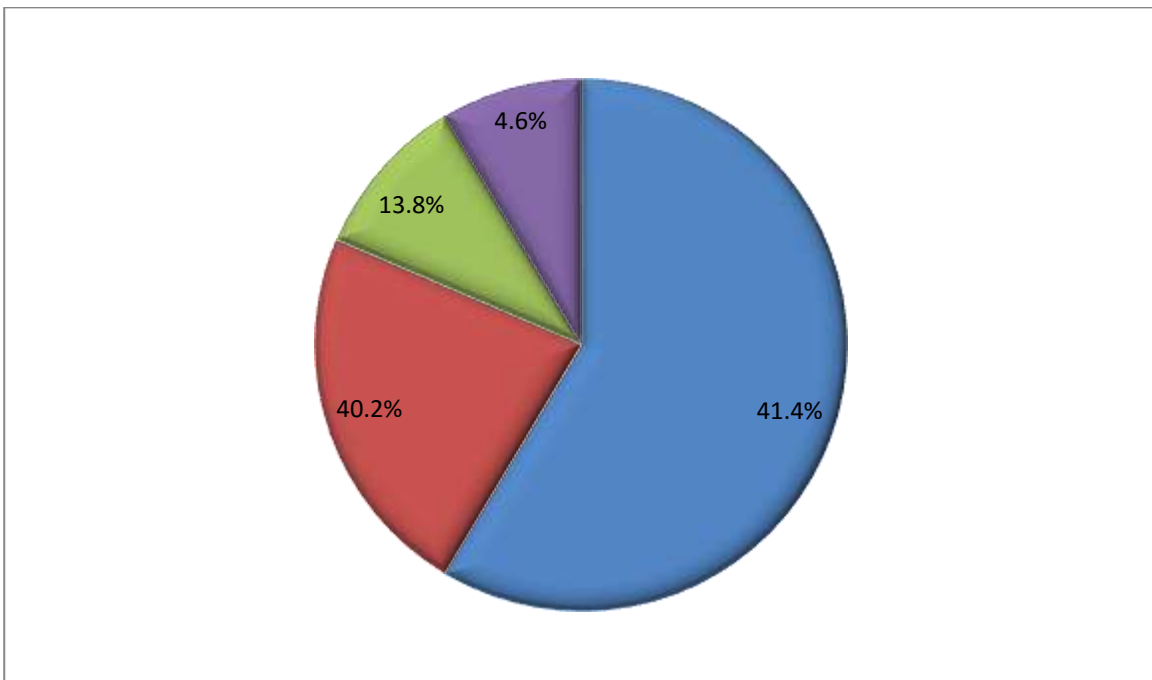
#### 4.2.2. Frequency analyses for marital status

**Table 4.2** shows the frequency analyses for marital status.

	Frequency	Percent	Valid percent	Cumulative percent
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<b>Red</b>	35	40.2	40.2	40.2
<b>Married</b>	36	41.4	41.4	81.6
<b>Widowed</b>	4	4.6	4.6	86.2
<b>Divorced</b>	12	13.8	13.8	100.0
<b>Total</b>	87	100.0	100.0	

### Marital status



**Figure 4.2: Frequency analyses for marital status**

Responses from Table 4.2 indicate that 41.4% of the staff members in the SOE are married and 40.2% are single. Approximately 13.8% of them are divorced and 4% are widowed.

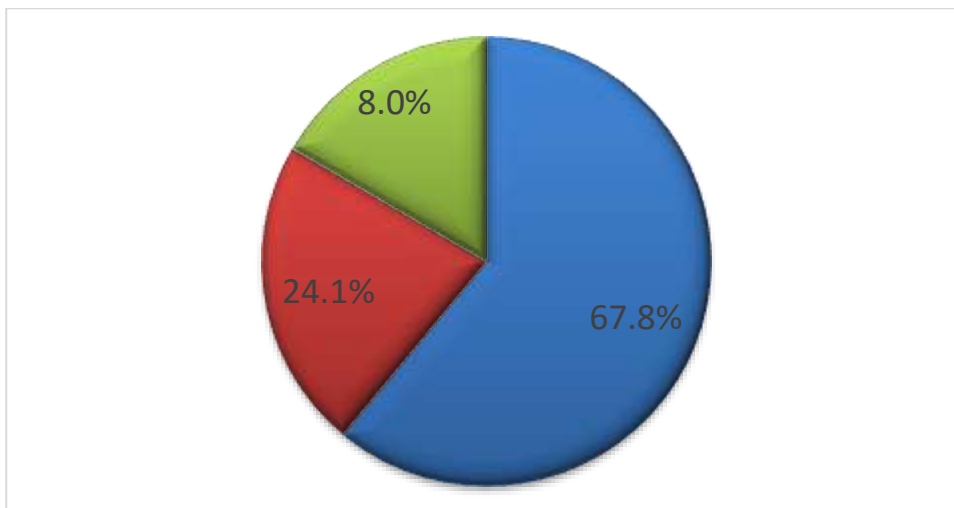
### 4.2.3. Frequency analyses for home language

**Table 4.3 shows the frequency analyses for home language**



	Frequency	Percent	Valid percent	Cumulative percent
<b>Afrikaans</b>	7	8.0	8.0	8.0
<b>English</b>	21	24.1	24.1	32.2
<b>Indigenous</b>	59	67.8	67.8	100.0
<b>Total</b>	87	100.0	100.0	

### Home language



**Figure 4.3: Frequency analyses for home language**

As indicated in Table 4.3 above, the home languages of respondents were grouped into three groups, namely indigenous/home language, with the highest percentage of 67.8%, followed by English with 24.1% and finally Afrikaans with the lowest percentage of 8.0%, showing that the majority of the staff members' home language is Indigenous.

#### 4.2.4. Frequency analyses for ethnicity

Table 4.4 shows the frequency analyses for ethnicity

	Frequency	Percent	Valid percent	Cumulative percent
Africsn	66	75.7	76.7	76.7
White	13	14.9	15.1	91.9
coloured	5	5.7	5.8	97.7
Asian	2	2.3	2.3	100.0
Total	86	98.9	100.0	
System	1	1.1		
	87			

### Ethnicity

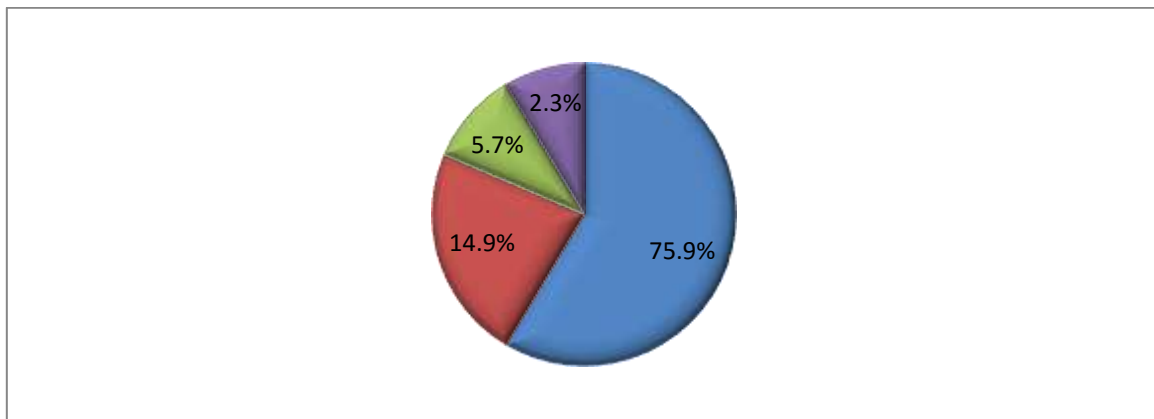


Figure 4.4: Frequency analyses for ethnicity

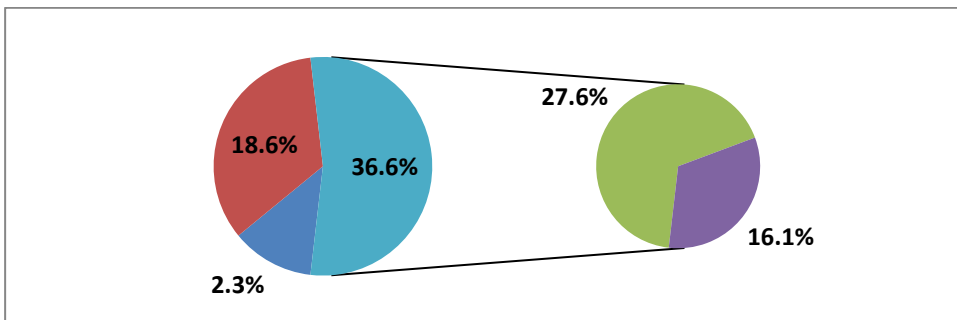
Figure 4.4 indicates that the majority of the respondents are African, with 75.9%, while 14.9% are white, 5.7% are coloured and 2.3% are Asian.

### 4.2.5. Frequency analyses for age

Table 4.5 shows the frequency analyses for age

Ages	Frequency	Percent	Valid percent	Cumulative percent
20 and 29	14	16.1	16.1	16.1
30 to 39	31	35.6	35.6	51.7
40 and 49	24	27.6	27.6	79.3
50 to 59	16	18.4	18.4	97.7
60 year and older	2	2.3	2.3	100.0
<b>Total</b>	<b>87</b>	<b>100.0</b>	<b>100.0</b>	

## Age



**Figure 4.5: Frequency analyses for age**

As reflected in Figure 4.5, the largest proportion of respondents, 35.6%, were within the ages of 30 to 39, and 27.6% are between 40 and 49 years of age. Figure 4.5 also shows that approximately 18.4% of the respondents are 50 to 59 years of age and 16.1% of the respondents are between 20 and 29 years of age, and finally 2.3% are 60 year and older.

## 4.6. Frequency analyses for educational qualification

**Table 4.6 shows the frequency analyses for educational qualification**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid percent</b>	<b>Cumulative percent</b>
<b>1</b>	11	12.6	12.6	12.6
<b>2</b>	17	19.5	19.5	32.2
<b>3</b>	22	25.3	25.3	57.5
<b>4</b>	13	14.6	14.6	72.4
<b>5</b>	18	20.7	20.7	93.1
<b>6</b>	6	6.9	6.9	100.0
<b>Total</b>	87	100.0	100.0	

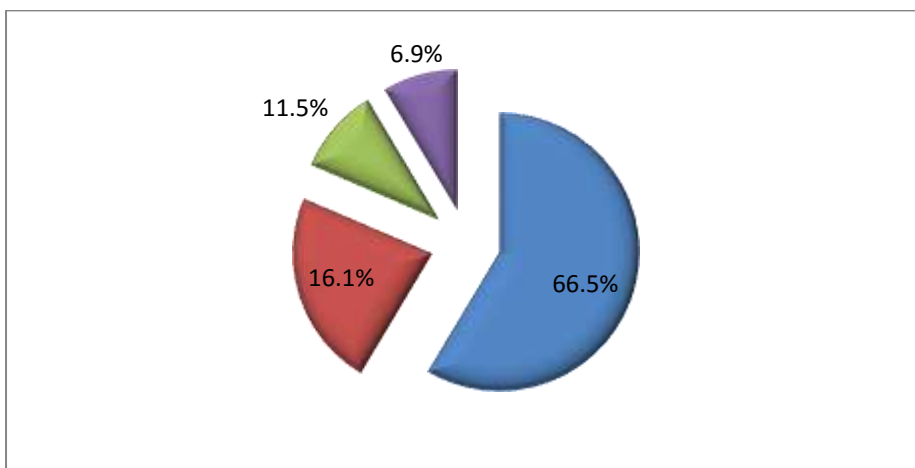
Respondents were asked to indicate their qualification by choosing from the six levels. In this item, most respondents hold a diploma/degree (25.3%), honours degree (20.7%), certificate (19.6%) or bachelor’s degree with response of 14.6.2%, a matric certificate with 12.6% and master’s degree at the lowest with 6.9%.

**4.3.7 Frequency analyses for work experience**

Table 4.6 shows the frequency analyses for work experience.

Years	Frequency	percent	Valid Percent	Cumulative Percent
0 to 10	10	11.5	11.5	11.5
11 to 20	14	16.1	16.1	27.6
21 to 30	6	6.9	6.6	34.4
30 years and more	57	65.5	65.5	100.0
<b>Total</b>	87	100.0	100.0	

### Work experience



**Figure 4.6: Frequency analyses for work experience**

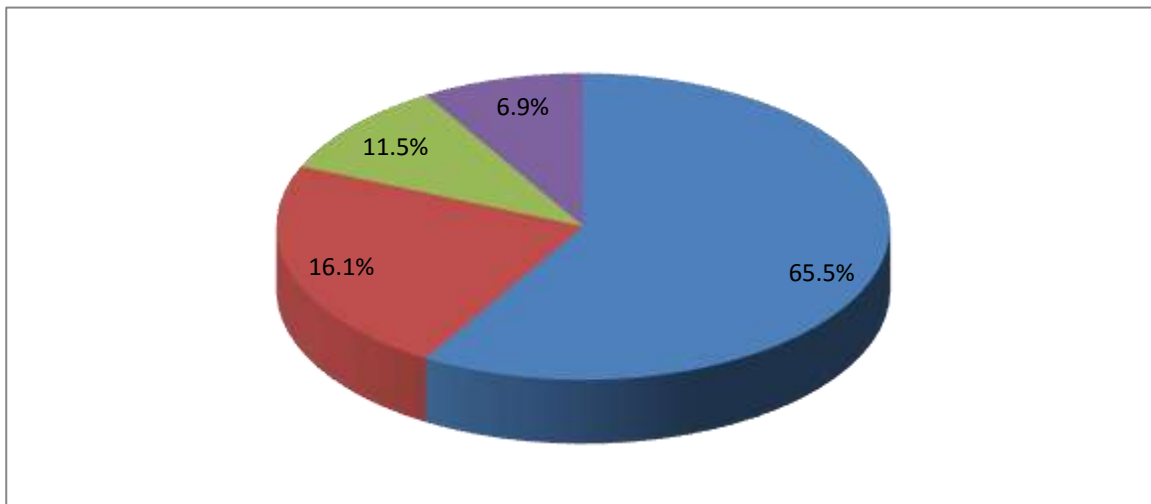
Figure 4.6 provides a representation of the frequency distribution of the members' years of working experience. Figure 4.6 illustrates the greater percentages (66.5%) have work experience of 30 years and more, 16.1% have work experience from 11 to 20 years, 11.5% have work experience from 0 to 10, while the lowest level of work experience is 21 to 30 year with 6.9%.

### 4.3.8 Frequency analyses for chances for promotion

**Table 0.7: Frequency analyses for chances for promotion**

	Frequency	Percent	Valid percent	Cumulative percent
1	10	11.5	11.5	11.5
2	14	16.1	16.1	27.6
3	6	6.9	6.9	34.5
4	57	65.5	65.5	100.0
<b>Total</b>	87	100.0	100.0	

### Chances for promotion



**Figure 4.7: Analyses of chances for promotion**

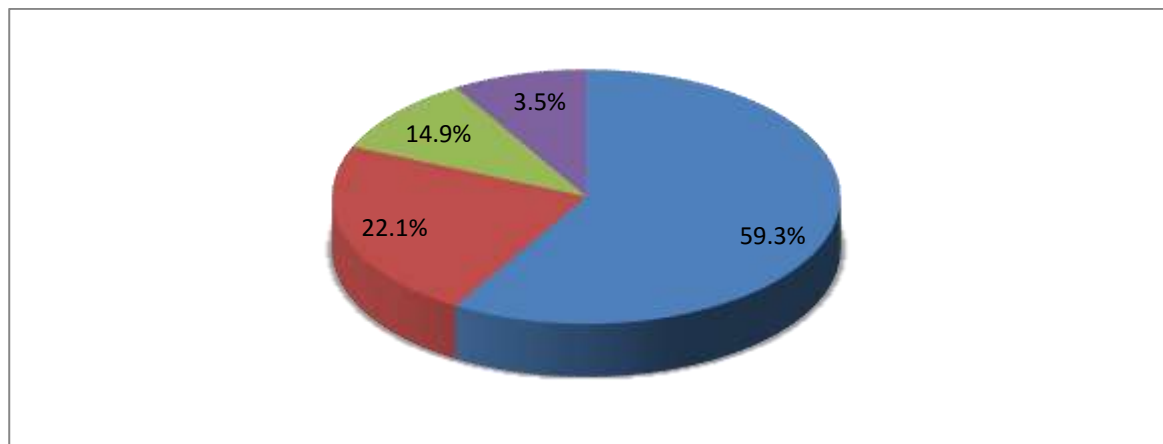
The frequency of the chances of promotion is well illustrated in the pie chart in Figure 4.7 above. Responses of participants indicate that 65.5% have a number of promotion opportunities in the company, while 16.1% also get promotion opportunities in the company, 11.5% also get a number of get promotion opportunities and 6.9% of the staff have few promotion opportunities in the company.

### 4.3.9. Frequency analyses for years at current work

**Table 0.1: Frequency analyses for years at current work**

Years	Frequency	Percent	Valid percent	Cumulative percent
zero to 10	51	58.6	59.3	59.3
11 to 20	19	21.8	22.1	81.4
21 to 30	13	14.9	15.1	96.5
30 years and more	3	3.4	3.5	100.0
<b>Total</b>	86	98.9	100.0	
<b>System</b>	1	1.1		
	87	100.0		

### Current work



**Figure 4.8: Analyses for years at current work**

In Figure 4.8, respondents were asked to indicate how long they have there been working in their current job. The majority of the respondents indicated that they have been working from zero to 10 (59.3%) years, 21.1% have been working for 11 to 20 years, 14.9% of the

respondents have been working for 21 to 30 years, and finally, 3.4% of the respondents have been working for 30 years and more.

#### 4.4. PHASE 2: RESULTS FROM THE MEASURING INSTRUMENTS

The descriptive statistics and reliabilities for the talent management, job satisfaction and turnover intentions questionnaire are reported in Table 4.10 below.

**Table 0.10 Descriptive statistics and reliabilities of the measuring instruments**

	Mean	Std. Deviation	Skewness	Kurtosis	$\alpha$
<b>TALENT MANAGEMENT</b>					
<b>Talent culture</b>	3.9732	1.13634	-0.629	-0.182	0.881
<b>Management support</b>	4.0000	1.27808	-0.290	-0.823	0.918
<b>Performance management</b>	4.0805	1.02263	-0.161	-0.703	0.759
<b>Compensation</b>	3.5356	1.04035	-0.079	-0.190	0.824
<b>Talent strategy</b>	3.9031	0.94798	-0.421	0.234	0.878
<b>Talent planning</b>	3.7103	1.07303	-0.179	-0.837	0.832
<b>Talent attraction</b>	4.1724	1.00819	-0.857	1.147	0.779
<b>Talent retention</b>	3.6351	1.17434	-0.283	-0.501	0.843
<b>Job satisfaction</b>	4.0230	1.02037	-0.457	-0.106	0.927
<b>Employee turnover</b>	3.9387	1,45787	-0,361	-1.052	0.912

The results in Table 4.10 show that all the acceptable to excellent reliabilities for all the factors of the measurements are above  $\alpha \geq 0.70$ . The results, on average, show that approximately 67% of the sample were satisfied with the talent culture, management support, performance management, talent strategy and talent attraction practices in the organisation. The results further show that the compensation, talent retention and talent



planning practices of the organisation need improvement in order for employees to be satisfied with their jobs. Approximately 67% of the sample indicated that they are satisfied with their jobs. The majority of the sample, however, considered quitting their job (67%).

Table 4.10, therefore, in summary shows that there is a skewness relationship between talent management, job satisfaction and employees turnover. This relationship was identified using measuring instruments (SPSS) and they include talent culture, management support performance management, compensation, talent strategy, talent planning, talent attraction, and talent retention. Employees at the SOE in Mmabatho are most satisfied with talent culture, management support, performance management, talent strategy and talent attraction practices in the organisation. They are, however, less satisfied with the compensation, talent retention and talent planning practices of the organisation, which need improvement and opportunities for promotion. Therefore, organisational managers must deploy strategies that can be adopted in order to bridge this gap. As presented in literature review, Allen *et al.* (2003) believe that even though the job satisfaction, talent management and turnover intention are not the absolute causal relationship, as an organisational leader or management who should minimise staff dissatisfaction, thereby reducing turnover. Job satisfaction is usually caused by the difference between individual job expectations and the actual work situation. Deery (2008) claims that employee satisfaction is able to play a key role in affecting the success of organisational performance – no employee satisfaction, no customer satisfaction. Only with employee satisfaction can the customer get good service and satisfaction; employee satisfaction can significantly increase organisational benefits and efficiency. Furthermore, the companies with high employee satisfaction normally have low mobility rates, and this can reduce the operational cost due to the lower employee turnover rates. The employees with a higher degree of satisfaction will throw themselves into the work with greater enthusiasm, creating greater efficiency, higher productivity, and more profits.

Job satisfaction plays a vital role in enhancing both organisational and individual performance and productivity. Deery (2008) argues that existing literature relating to talent retention focuses more on traditional causes such as the lack of job satisfaction and organisational commitment. Tymon Jr *et al.* (2010) developed and tested a model of talent management across 28 Indian firms involving 4811 professional-level employees. The author suggests that the high levels of perception of the application of talent management practices result in low levels of employees' intention to quit the organisation. Therefore,

talent management, employee turnover and job satisfaction are present in SOEs and there is an indication from the study that these three are related to one another.

#### 4.5. PHASE 3: TESTING OF HYPOTHESES

The next section of the results reports on the testing of the hypotheses. Linear regression analysis was applied to test for the predictive relationships between talent management, job satisfaction and employee turnover. The results of the regression analysis between talent management and job satisfaction are reported in Table 4.11 below:

**Table 4.11: Regression analysis: Talent management and job satisfaction**

	Df	F	R	R square	Adjusted R square	Beta	P
<b>Talent culture</b>	1	62.897	.652 <sup>a</sup>	0.425	0.419	0.652	0.000
<b>Management support</b>	1	44.998	.588 <sup>a</sup>	0.346	0.338	0.588	0.000
<b>Performance management</b>	1	39.334	.562 <sup>a</sup>	0.316	0.308	0.562	0.000
<b>Compensation</b>	1	15.896	.397 <sup>a</sup>	0.158	0.148	0.397	0.000
<b>Talent strategy</b>	1	31.815	.522 <sup>a</sup>	0.272	0.264	0.522	0.000
<b>Talent planning</b>	1	48.982	.605 <sup>a</sup>	0.366	0.358	0.605	0.000
<b>Talent attraction</b>	1	37.445	.553 <sup>a</sup>	0.306	0.298	0.553	0.000
<b>Talent retention</b>	1	44.445	.586 <sup>a</sup>	0.343	0.336	0.586	0.000

The results in Table 4.12 show the following:

- *Talent culture* is a significant positive predictor of job satisfaction:  $F(1.86) = 62.897$ , and accounted for approximately 65.2% of the variance of job satisfaction ( $R^2 = 0.425$ , adjusted  $R^2 = 0.419$ ). The effect was large.
- *Management support* is a significant positive predictor of job satisfaction:  $F(1.86) = 44.998$ , and accounted for approximately 58.8% of the variance of job satisfaction ( $R^2 = 0.346$ , adjusted  $R^2 = 0.338$ ). The effect was large.

- *Performance management* is a significant positive predictor of job satisfaction:  $F(1.86) = 39.334$ , and accounted for approximately 56.2% of the variance of job satisfaction ( $R^2 = 0.316$ , adjusted  $R^2 = 0.308$ ). The effect was large.
- *Compensation* is a significant positive predictor of job satisfaction:  $F(1.86) = 15.896$ , and accounted for approximately 39.7% of the variance of job satisfaction ( $R^2 = 0.158$ , adjusted  $R^2 = 0.148$ ). The effect was medium.
- *Talent strategy* is a significant positive predictor of job satisfaction:  $F(1.86) = 31.815$ , and accounted for approximately 52.2% of the variance of job satisfaction ( $R^2 = 0.272$ , adjusted  $R^2 = 0.264$ ). The effect was medium.
- *Talent planning* is a significant positive predictor of job satisfaction:  $F(1.86) = 48.982$ , and accounted for approximately 60.5% of the variance of job satisfaction ( $R^2 = 0.366$ , adjusted  $R^2 = 0.358$ ). The effect was large.
- *Talent attraction* is a significant positive predictor of job satisfaction:  $F(1.86) = 37.445$ , and accounted for approximately 55.3% of the variance of job satisfaction ( $R^2 = 0.306$ , adjusted  $R^2 = 0.298$ ). The effect was large.
- *Talent retention* is a significant positive predictor of job satisfaction:  $F(1.86) = 44.445$ , and accounted for approximately 58.6% of the variance of job satisfaction ( $R^2 = 0.343$ , adjusted  $R^2 = 0.336$ ). The effect was large.

Table 4.11 shows that talent culture, management support, performance management, compensation, talent strategy, talent planning, talent attraction and talent retention are determinant of job satisfaction; therefore, if all these variables are put together, high job satisfaction will be achieved. Based on the above findings, Hypothesis 1 that talent management is a significant positive predictor of job satisfaction is accepted.

This was supported by Bethke-Langenegger *et al.* (2011) who indicated that talent management practices that focus on retaining and developing talents had a significant positive impact on human resource outcomes such as job satisfaction, motivation and commitment. Masibigiri and Nienabe (2011) suggest that talent management is important because labour turnover results in organisations incurring direct costs (for example, recruitment and placement costs), and indirect costs (for example, losing tacit knowledge as a result of employees leaving the organisation). Amid high competition for scarce talent, Kontoghiorghes and Frangou (2009) suggest that executives are concerned with their

organisation's ability to locate, attract, hire, develop, and retain the skilled and qualified people needed to run their companies.

Next, the results of the regression analysis between talent management and intention to quit are reported in Table 4.13 below.

**Table 0.12 Regression analysis: Talent management and intention to quit**

	Df	F	R	R square	Adjusted R-square	Beta	P
<b>Talent culture</b>	1	2.720	.176 <sup>a</sup>	0.031	0.020	-0.176	0.103
<b>Management support</b>	1	0.058	.026 <sup>a</sup>	0.001	-0.011	-0.026	0.810
<b>Performance management</b>	1	0.545	.080 <sup>a</sup>	0.006	-0.005	-0.080	0.462
<b>Compensation</b>	1	0.158	.043 <sup>a</sup>	0.002	-0.010	-0.043	0.692
<b>Talent strategy</b>	1	1.245	.120 <sup>a</sup>	0.014	0.003	-0.120	0.268
<b>Talent planning</b>	1	0.046	.023 <sup>a</sup>	0.001	-0.011	0.023	0.831
<b>Talent attraction</b>	1	0.120	.038 <sup>a</sup>	0.001	-0.010	-0.038	0.730
<b>Talent retention</b>	1	0.052	.025 <sup>a</sup>	0.001	-0.011	0.025	0.820

The results in Table 4.12 show that no significant predictive relationship exists between talent management and employee turnover.

Table 4.12 above indicates that talent culture, management support, performance management, compensation, talent strategy, talent planning, talent attraction and talent retention are substantial predictors of employee turnover. Based on the above results, hypothesis 2 that talent management is a significant negative predictor of intention to quit is rejected.

Next, the results of the regression analysis between job satisfaction and intention to quit are reported.

**Table 0.13: Regression analysis: Job satisfaction and intention to quit**

	Df	F	R	R square	Adjusted R square	Beta	P
<b>Job Satisfaction</b>	1	0.012	.012 <sup>a</sup>	0.000	-0.012	0.012	0.912

The results in Table 4.13 show that no significant predictive relationship exists between job satisfaction and intention to quit.

Based on the above results, hypothesis 3, that job satisfaction is a significant negative predictor of intention to quit is rejected. It rather enhances a positive predictor on an employee's intention to quit. Steers (1977) also maintained that there is a lack of consensus on the direct relationship between job satisfaction and intention to quit, and on whether this relationship is mediated by organisational commitment. The author postulates that high levels of dissatisfaction could influence employees to leave or consider quitting their current jobs. Moore (2000) regards job satisfaction to be a major factor that influences employees' intention to quit. It is considered to be negatively related to intention to quit (Trevor, 2001). A number of researchers (Netemeyer, Johnston & Burton, 1990) have argued that job satisfaction is directly correlated to intention to quit (Brown & Peterson, 1994).

#### **4.6. Conclusion**

In conclusion, the demographic relationship between talent management, job satisfaction and employee turnover in the six SOEs has been proven to be effective and it plays a major role in an organisation. However, the measuring instrument also identified that talent retention and talent planning need improvement in the organisation. The results in this study showed that all talent management practices significantly enhance the job satisfaction of employees and employee turnover. No significant results were obtained between talent management and employee turnover, and job satisfaction and employee turnover.

## **CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 INTRODUCTION**

In the previous chapter, the data analysis, presentation and discussion of findings were carried out. This chapter discusses the prominent findings of the study and makes reference to relevant research to support the findings of the current study. The discussion includes demographic information about the sample, as well as results obtained from the descriptive statistics for the dimensions of talent management, job satisfaction and turnover intention. A regression analysis was performed, and significant statistical differences between biographical variables were found. Conclusions are drawn based on the obtained results, and recommendations for future research, which may be of worth, are put forth.

### **5.2 REACHING OBJECTIVES: KEY FINDINGS**

As indicated in Chapter 1, the objectives of this study are to:

- Determine employees' current perception regarding talent management (TM) practices at an SOE in Mmabatho.
- Examine the relationship between TM, job satisfaction and employee turnover at an SOE
- Describe the relationship between TM, job satisfaction and employee turnover at an SOE Mmabatho.

#### **5.2.1. Employees' perceptions about talent management practices**

Findings from the study indicated that employees of the SOE have different perceptions on talent management practices. They believe that talent management is geared with experience and ability in doing the task set out to do. This was evident from their experiences and qualifications identified in the demographic phase. It is evident that when there is high number of employees with good qualifications, work experiences and effective supervisions by the managers, employees tend to be satisfied with their jobs.

#### **5.2.2. Examining the relationship between TM, job satisfaction and employee turnover at an SOE**

In examining the relationship between TM, job satisfaction and employee turnover at SOEs, the study identified talent culture, management support, performance management,

compensation, talent strategy, talent planning, talent attraction and talent retention as the key items that correlate with talent management, job satisfaction and employee turnover. Findings in this regard revealed that approximately 67% of the sample are satisfied with the talent culture, management support, performance management, talent strategy and talent attraction practices in the organisation, which are enhanced by talent management. The results further show that compensation, talent retention and talent planning practices of the organisation need improvement in order for employees to be satisfied with their jobs.

### **5.2.3. Describing the relationship between TM, job satisfaction and employee turnover at an SOE in Mmabatho.**

A hypothesis was further tested from the findings, and it shows that talent culture, management support, performance management, compensation, talent strategy, talent planning, talent attraction and talent retention are determinants of job satisfaction, talent management and employees' turnover. Therefore, if all these variables are put together, high job satisfaction will be achieved. Based on the above findings, Hypothesis 1, that talent management is a significant positive predictor of job satisfaction, was accepted.

## **5.3. RECOMMENDATIONS FROM THE STUDY**

Based on the findings and discussions made in respect of the relationship between talent management, job satisfaction and employees turnover, recommendations will be first presented to the organisation and further recommendations will be made:

### **5.3.1. Recommendation for the organisation**

Managers of an SOE in Mmabatho should:

- Act upon talent management practices and devise strategies to satisfy their employees to get maximum output from them and utilise their skills in a better way. This is only possible when the employees feel satisfied and devote their wholehearted efforts to satisfy the customers and enhance value creation for their organisations.
- Implement an awareness programme for employees and managers about their working conditions and the benefit they derive from a specific period.
- Adopt and implement more precision in the field of education, professional experiences, and professional development, and create the storage of talent in order to 'develop and train' the talents of the employees, which should be done in the organisation in order to enhance effective talent management among employees.

- Pay more attention to the payment of salaries and various approaches towards it, creating motivation and enabling employees, advantages, extra payments and rewards in order to maintain talent. This would enable employees to desire their jobs, which will, in turn, lead to job satisfaction in the organisation.
- Improve the work/life balance of employees by:
  - Reducing excessive workloads on employees through work-studies to more effectively allocate resources to achieve organisational goals.
  - Addressing employees' concerns that existing leadership and management may not be able to effectively lead the organisation by way of more creative communication of actions taken by executive management to achieve its goals,
  - Enriching employees' jobs by way of delegating more challenging work as far as possible without negatively impacting on organisational value.
- Consider more group tasks involving interdependence with other groups, thereby increasing the feeling of belonging and organised effort among employees to increase the level of job satisfaction.
- Conduct structured interviews to find talented performers from applicants displaying essential talent characteristics.
- Attempt, as far as possible, to ensure that employees are in positions where they perform work they enjoy doing, work they do well, and work the organisation needs done.
- Instil a high performance culture in employees by way of performance management, succession planning analytics, targeted selection and talent reviews, development planning and support, career development and better workforce planning and recruiting.

### **5.3.2. Recommendation for further research**

It is recommended that managers of SOEs should accord significant attention to future studies of this nature to identify those variables that have a major impact on job satisfaction in an attempt to retain high quality skills, in particular scarce skills, which is in line with the human resource development strategy of the Department of Labour. However, additional research is needed to further investigate the potential relationship and effect that these variables and other extraneous variables, such as less satisfied with compensation, talent retention and talent planning practices have on job satisfaction.



Finally, future research of this nature may assist SOE managers on all levels to be aware of the status of job satisfaction and allow them to proactively put mechanisms into place to enhance the job satisfaction of employees and, ultimately, improve service delivery. Schneider and Vaught (2004) contend that being aware of the job satisfaction of employees affords personnel managers the opportunity to be proactive and decide on interventions that will ensure commitment and involvement from employees.

#### 5.4. LIMITATIONS OF THE STUDY

The study's results are limited to the following:

- **Research design:** The study only utilised a quantitative research design. Therefore, a more detailed response will be developed if a mixed-method design was used.
- **Sample size:** The number of the units of analysis you use in your study is dictated by the type of research problem you are investigating. Note that if your sample size is too small, it will be difficult to find significant relationships from the data, as statistical tests normally require a larger sample size to ensure a representative distribution of the population and to be considered representative of groups of people to whom results will be generalised or transferred. Therefore, this study used an SOE in Mmabatho and, as such, a small sample size was used for the study.
- **Measure used to collect the data:** Sometimes, it is the case that, after completing your interpretation of the findings, you discover that the way in which you gathered data inhibited your ability to conduct a thorough analysis of the results. For example, you regret not including a specific question in a survey that, in retrospect, could have helped address a particular issue that emerged later in the study. Acknowledge the deficiency by stating a need for future researchers to revise the specific method for gathering data. This study only utilised a questionnaire as a means of data collection. Consequently, a better response will be generated if other data collection strategies are employed.

#### 5.5. CONCLUSIONS

Employees are valuable to their organisations. Business organisations adopt different practices of talent management, which are attraction and selection, retention, and development to satisfy their employees and to retain them for longer periods. By using these practices, employees can be made loyal to organisation and can also be made to be

satisfied. The major objective of this study was to measure “the relationship between talent management (TM) practices, job satisfaction and employee turnover at an SOE in Mmabatho”

The relationships were viewed in demographic and instrument measurement statistics. The empirical evidence of the study proved, through regression analysis (see Table 4.11), that talent management practices (talent culture, management support, performance management, compensation, talent strategy, talent planning, talent attraction and talent retention) have a significant impact on the job satisfaction of employees and in that way the results of the study are robust and applicable. In addition, the age, gender, work experiences, qualifications of employees, ethnicity, workload placed on employees, home language, chances of promotions and years employees have worked in the organisation also determine the talent management, job satisfaction and employee turnover of an SOE in Mmabatho.

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Dear Mr / Ms

Re: Language editing of thesis: (The relationship between talent management, job satisfaction and employee turnover in a state-owned enterprise in Mmabatho)

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I hereby declare that I language edited the above-mentioned thesis by Ms RM Tsheole (student number: 23267526).

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Kind regards



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