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***Total Rewards: A study of artisan attraction and retention within a
South African context***

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A dissertation submitted in partial fulfilment of the requirements for the award of the degree of Master of Commerce in Organisational Psychology 2012.

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COMPULSORY DECLARATION

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed, and has been cited and referenced.

Signature:

Date:

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Abstract

Orientation. The shortage of artisan skills remain a serious challenge in South Africa and is forcing employers to investigate which total reward factors contribute to the attraction and retention of this critical skills segment, as undifferentiated retention strategies are no longer appropriate.

Research purpose. The aim of this study was to further develop the understanding of the total reward factors and the ideal combination and relative quantum of total rewards that attract and retain artisans, including artisans from various race groups and age cohorts (cohort 29 and less; cohort 30-39; cohort 40-49; and cohort 50+).

Motivation for the study. The shortage of scarce skills, like those experienced in South Africa should not only be seen as comprising occupations from the higher skills bands, but should also include occupations from the intermediate skills bands, that includes artisans. Limited research is available on the total reward factors and the ideal combination and relative quantum of total rewards that attract and retain artisans. Knowing this will allow organisations to develop reward models that better attract and retain artisans.

Research Design. The study followed both a quantitative and qualitative research approach while adopting a descriptive research design. Using this mixed method, primary data was collected from individuals by means of two focus groups discussions, i.e (1) a group of HR and Remuneration Managers (n=4) and (2) a group of artisans (n=7). These results were used to develop the two questionnaires that were distributed to artisans (n=143). Data from Questionnaire 1 were analysed using descriptive statistics and factor analyses. Conjoint analysis was employed to identify an ideal total rewards composition based on responses from Questionnaire 2.

Main findings. The results of the conjoint tasks revealed that three total rewards attributes were consistently deemed to be important in the retention of artisans. These include: Environment (work-life balance); Compensation (level); and Compensation (variable). The Environment (work-life balance) were also considered 14.64% more important as opposed to Compensation (level) within the overall sample as well as in the demographic groups (race and various age cohorts), as the relative importance of Environment (work-life) was on average 37.90% while Compensation (level) was on average 23.26%.

Practical and/or Managerial implications. The unique application of conjoint analysis allowed for the identification of both the combination and relative quantum of total rewards that attract and retain demographic groups, including race and various age cohorts. Organisations are able to incorporate these findings into differentiated retention strategies.

Contribution and/or value add. Limited research exists in South Africa which highlights the total rewards that attract and retain artisans. No literature exists which identifies the desired reward composition and the amount of rewards that attract and retain artisans. The current study succeeded in identifying the total rewards and the ideal composition of total rewards that retain artisans, including artisans from demographic groups (race and various age cohorts).

CHAPTER 1

INTRODUCTION

The retention of artisans is becoming an increasingly difficult task for organisations to manage, with the attrition of scarce skills being viewed as a major cause of the so-called war for talent which is characterised by a scarcity of skills, where demand outweighs supply (Hay Group, 2002). In a recent study by ADCORP the artisan job family was identified as the number one category of concern when filling vacancies in South Africa (Nicholson, 2012). An ageing workforce, negative perceptions regarding this job family due to the nature of the blue collar environment, a decline in apprenticeship student numbers, the closing down of artisan training centres, poaching of artisans from rival companies, international recruitment of artisans and the overall training cost to obtain a successfully qualified artisan, will all have to be creatively managed in order to address the current shortage and the limited short and medium term supply of artisans (JIPSA, 2008). The potential consequences of not addressing the artisan crisis could not only negatively impact organisational effectiveness and success, but also have an adverse impact on the South African economy.

Background to scarce skills

Bussin (2011) identified scarce skills as being a skill set that reflects the demand and supply of a particular skill and/or skills at a particular time. The skills requirement may not necessarily be complex, but could imply that, owing to circumstances only a few people in the market have this specific skill and/or skills. Similarly the Food and Beverage Sector Education and Training Authority (FoodBev Seta, 2011) identified scarce skills as a scarcity of qualified and experienced people, currently or anticipated in the future, either because such skilled people are not available (also referred to as absolute scarcity) or they are available but do not meet employment criteria (also

referred to as relative scarcity) due to for example geographical location, equity considerations and/or replacement demand (FoodBev Seta, 2011).

Technical skills shortages remain a serious constraint in South Africa, even though increasing amounts of public and private resources are being committed to address the needs of infrastructure projects due to a growing economy and a growing population (Hall & Sandelands, 2009). A critical component of competitiveness is having the appropriate skills complement across a range of occupations and professions as well as the skills to drive economic growth and organisational success. It is imperative that South Africa becomes globally competitive. The World Competitiveness Report listed South Africa in 53rd position in a ranking of the competitiveness of 144 nations, a decline from previous years (IMD, 2008). Over the past ten years, economic growth has relied heavily on rapid growth in government spending, which is unsustainable in the long run. Local markets are relatively small which means that accelerated economic growth will require a dramatic increase in exports, supported by the fact that industry would need to have the appropriate skills complement to meet the current and future demand (Centre for Development and Enterprise, 2011).

Therefore skills shortages, like those experienced in South Africa should be seen as comprising everything from the most advanced qualifications to the most elementary and skills development as something that may be needed for different people at different stages of their life cycle, or over the business cycle, or both (Daniels, 2009). Similarly, Kraak (2003) argued that there are three skill bands:

- **High skills band.** South Africa has a relatively sophisticated infrastructure for transport, information technology, telecommunications, financial markets, higher education and science and technology, all of which require and employ highly skilled personnel. Occupations include academics, doctors, engineers and managers.

- **Intermediate skills band.** Intermediate skills are those located in the middle education and training bands. They include all post-junior secondary school certificates and their equivalents, but exclude degree-level qualifications in higher education. Occupations include nurses, technicians, artisans, craft and process controllers.
- **Low skills band.** This skills band make provision for unskilled and low skilled employees. Occupations include elementary positions for example production workers and manual labour.

By employing a mixed typology of the three skills bands it can no longer be assumed that skills shortages is only a crisis in the high skills band (i.e. the more traditional view of skill shortages) and that new production techniques based on higher level skills often co-exist alongside older forms of industrial organisations, such as batch production that is reliant on artisanal skills and secondly mass production that is reliant on the mass provision of operative and intermediate skills (Kraak, 2003).

Factors impacting the skills crisis in South Africa

There are hundreds of thousands of job vacancies in South Africa and yet the country has a 25% unemployment rate, indicating a mismatch in the demand and supply of skills (CDE, 2011). Although the official unemployment rate (the number of unemployed people expressed as a percentage of the labour force) is high by international standards, it understates the magnitude of the crisis because it includes only those adults who are not employed and are actively looking for work. Given the poor state of the job market, millions of adults who want to work have given up looking for jobs and are therefore not counted as unemployed. A more revealing statistic is that only 41 percent of the population of working age (every one aged 16 to 64) have any kind of job, both in the formal or informal sectors of the economy (CDE, 2011).

The following factors are contributive towards the current skills crisis in South Africa:

- The country's education system has failed to equip millions of people with relevant skills resulting in a national crisis of youth unemployment and/or employability. South Africa spends an above average amount of money on education. The expenditure on education as a percentage of GDP in 2006 was for instance 5,4%, while the average expenditure for a hundred and ninety other countries was 4,7%. Yet the country's education system does not produce enough students with mathematics and science on higher grade in order to study further in critically scarce occupations.
- Supply shortages for engineers, artisans, logistic controllers and information technology specialists, come at a critical time as the country literally builds up for Eskom's massive new power stations package and Transnet's budgets to expand railways lines, ports and fuel pipelines.
- The large scale emigration of South Africans from within the high- and intermediate skills bands to countries such as Australia, New Zealand and the United Kingdom.
- Government's focus on employment equity as it is preventing business from using highly skilled and experienced people and in so doing aggravating the skills shortage.
- The growing impact of HIV/Aids on the supply of skilled employees, especially in key areas for example geographical mobility and the type of industry.
- The fact that South African organisations still only train about 45 percent of their workforce suggests that despite years of positive and fairly robust economic growth, combined with the augmentation of the National Skills Development Strategy and National Human Resource Strategy, local companies are not responding to incentives to provide training for their employees.

- International literature on welfare and dependency suggests that effective social safety nets can make beneficiaries more reluctant to work. This has led to claims that South Africa's rapidly expanding welfare state (including welfare grants, subsidies for housing and basic services) may be another reason for the low labour force participation rate, with many people choosing to stay at home rather than to look for work (CDE, 2011; Daniels, 2009; Solidarity, 2008).

Having noted these various factors that are believed to impact the supply and demand of scarce skills at a macro level, it is also important to identify specific areas of concern at a sector or industry level. A sector skills analysis conducted by the FoodBev Seta yielded the following results based on information supplied by the various organisations that are registered with them by means of consolidating annual training reports and projecting the demand over the next 5 years. The sector skills analyses confirmed a shortage at management, operator and artisan level (FoodBev Seta, 2011). The mismatch of demand and supply of skills in the Food and Beverage sector can be further broken down into various occupational levels, focussing on skills gaps within the various occupational levels. These include:

- **Management level.** Strategic thinking, change management, management excellence, conceptual analysis and problem solving were found to be lacking.
- **Operator level.** Multi-skilling due to the need for different and higher level skills sets to align with technology requirements. Numeracy and literacy skills, information technology skills to use appropriate technologies, and enhanced innovation.
- **Logistics.** A shortage of people qualified in logistics (inbound, outbound, and demand planning).
- **Engineering.** As industries adapt to the dynamic environment of continuous improvement, the number of engineers needed by the sector increases. Engineering as an entry point is required frequently

for occupations such as operations managers, quality assurance managers and research and development managers.

- **Artisan** development remains a major need, especially increased demand for apprentices to use and maintain the technology that is increasingly being adopted by the industry (FoodBev Seta, 2011).

In addition a further challenge identified is that people with the required skills are not willing to work in the Food and Beverage Industry. The blue collar environment (including factors such as low wages and employment conditions) of the food and beverages manufacturing sector impacts negatively on the availability of scarce skills (FoodBev Seta, 2011).

In the next section the current study attempts to define a specific category of scarce skills namely artisans as this will form the primary focus of the review, looking at legislated and historical events that impacted the current shortages and future demand of artisans within an environment where international mobility is a reality.

Artisans as a scarce skill

According to the Centre for Development and Enterprise (2007) an artisan is any person who works as a millwright, electrician, plumber, boilermaker, mechanic, fitter and turner, pattern maker or injection moulder.

Legislative overview

Surgey (2010) found that although there has been a slow phasing out of the apprenticeship system, largely due to cutbacks in apprenticeship training programmes by large private sector employers and the state-owned enterprises over the past two decades, they continue to be governed by the 1981 Manpower Training Act. Apprenticeships are aimed specifically at those

wishing to become Artisans. As described below there are two routes in which workers can qualify as Artisans:

- **Section 13.** Chapter 2 of the Manpower Training Act of 1981 refers to (young) persons who have been formally indentured as apprentices, who meet the age criteria, who serve the full time period and who pass the trade test as prescribed by the Act. A section 13 apprenticeship should be completed within 3-4 years (Morris & Reed, 2008).
- **Section 28.** Chapter 2 of the Manpower Training Act of 1981 refers to (adult) persons not indentured under Section 13 but who satisfy the Registrar of Training that they have gained sufficient work experience over an adequate period of time, and can therefore undergo the trade test, after which (if they pass), they become qualified artisans.

Various initiatives have been identified to assist with the country's supply of skilled artisans. JIPSA (2007) identified the following milestones to fast track the acquisition of artisans in the country:

- The Skills Development Amendment Bill (2008) which is meant to strengthen artisan development. It consolidates artisan development through specific artisan training routes namely learnerhip, apprenticeship, recognition of prior learning and the National Certificate (Vocational), plus an internship or skills programme.
- The quality assurance role of the Institute for the National Development of Learnerships Employment Skills and Labour Assessment (Indlela) has been agreed upon and is positioned as a national artisan moderation body within the Skills Development Amendment Bill, 2008.
- The 2007 and 2008 service level agreements signed between the various Sector Education and Training Authorities (SETAs) and the Department of Labour reflect a total of 18 879 artisans to be registered and that an additional 20 000 learners will be registered for the 2008 period.

- The scarce skills quota list published by the Department of Home Affairs includes scarce artisan trades to allow immigrants to enter the country to source work as artisans.

Due to political changes in 2010, accountability for the implementation of the above mentioned initiatives has shifted away from the Department of Labour to the Department of Education, resulting in a refocus. Higher Education Minister Blade Nzimande has highlighted a number of government initiatives to boost the number and quality of university and college graduates and artisans in South Africa (BuaNews, 2010) and confirmed key initiatives from his department. These include a review to improve the country's Further Education and Training Colleges (FETC) and a Standards body to improve the quality of artisans.

Industry overview

Since the 1980's organisations across the globe have been focusing on increasing profitability. This has been accomplished by increasing throughput on existing investments and by decreasing costs. The reduction in costs often focussed on the reduction of fixed costs which led to a decrease in the training and skills development budget of organisations as well as in some cases, retrenchments. Due to the laying-off of staff, surpluses of artisans were available in South Africa, which meant that new artisans no longer needed to be trained. This led to the discontinuation of established training programmes for artisans (Jordaan & Barry, 2009). Due to the oversupply, organisations also did not have to increase artisan salaries to keep up with inflation, in order to retain artisans. Retrenchments have a negative effect on both affected employees and those staying behind (survivors). Survivor syndrome creates negativity among survivors which results in low morale, motivation and lack of trust (Versfeld, 2010). These feelings increase the likelihood of survivors seeking alternative employment and subsequently leaving the organisation. In the past two decades a drastic rise in the cost of

living, has also forced many skilled artisans to find other employment prospects (Jordaan & Barry, 2009).

Artisan skills are rapidly becoming so scarce that organisations will go to extraordinary lengths to keep artisans. In South Africa, organisations are now paying artisans salaries of up to R30 000 per month in an attempt to retain them (Kleynhans, 2007). Large firms are no longer making meaningful contributions to skills development in the industry; instead they are accused of poaching trained artisans (Ogbeifun, 2011). A low apprenticeship graduation rate contributes to the current shortage of artisans. One can expect the demand for artisans to increase in the future as fewer new graduates come through the system. The demand for artisans industry wide also sees the shift of artisans to higher paying sectors in the economy. A continuation of this trend may lead to the need to import artisans in the future. Such a strategy is however often characterised by high cost (Morris & Reed, 2008).

International mobility

South Africa is currently experiencing a large scale emigration that could severely impact its competitiveness due to the loss of skilled employees, especially those in key areas, like artisans (Du Preez, 2002). There have been three peaks in emigration: in 1977 after the Soweto riots, in 1986 during the States of Emergency and in 1994 during the introduction of the ANC government (Simelane, 1999). The past ten years have witnessed a further dramatic increase in the emigration of South Africans to countries such as Australia, New Zealand and the United Kingdom (Statistics South Africa, 2005). With figures indicating that during 1997–2001 South Africa lost an estimated 310 000 citizens, including 50 000 professionals. South Africa is undoubtedly experiencing a skills crisis that is unlikely to slow down in the foreseeable future (van Rooyen, du Toit, Botha & Rothmann, 2010). Many artisans are being recruited intensively by Canada, Australia, New Zealand

and Ireland. Local organisations have tried to counter this by offering more competitive salaries and retention bonuses. Reasons for international organisations' recruiting South African artisans are that past learnership programmes were recognised as world class, employees exhibit high levels of work ethic (defined as the commitment to the value and importance of hard work) and that many skilled artisans were eager to leave South Africa because of the high crime rate in the country (Jordaan & Barry, 2009).

Supply and Demand

Even though structural changes toward greater capital and skills intensity have occurred in the economy, statistics suggests that the demand for sufficient numbers of artisans has not subsided. A study by SASOL across a range of industrial sectors highlighted the rapid depletion of artisans such as electricians, welders, plumbers, and fitters and turners. SASOL estimates the skills shortage to be up to 20 000 artisans (Kraak, 2003).

Rauner, Smith, Hauschildt and Zelloth (2009) argue that while the extent of the shortage has been questioned, there is agreement that there is a deficit of skills. While the calculation of numbers of technically skilled employees is never an exact science, the reference to a shortage of artisans refers to a broader need for skills shortages in intermediate level knowledge and skills held by workers in the craft and artisanal trades, where knowledge is a combination of theory and practice and the emphasis is on the practical rather than the conceptual (Centre for Development and Enterprise, 2007).

In 2008, Solidarity reported that South Africa only had 10% of the artisans that it had 20 years ago, and estimated that the country has a 40% shortage of artisans (Solidarity, 2008). Certain figures have become widely accepted in discussions of artisan skill shortages. In 1975, for instance, while there were 33 000 apprentices registered in South Africa, this total, by the year 2000, were reduced to only 3 000 (see Figure 1).

TRADE TEST STATISTICS-COTT/INDLELA

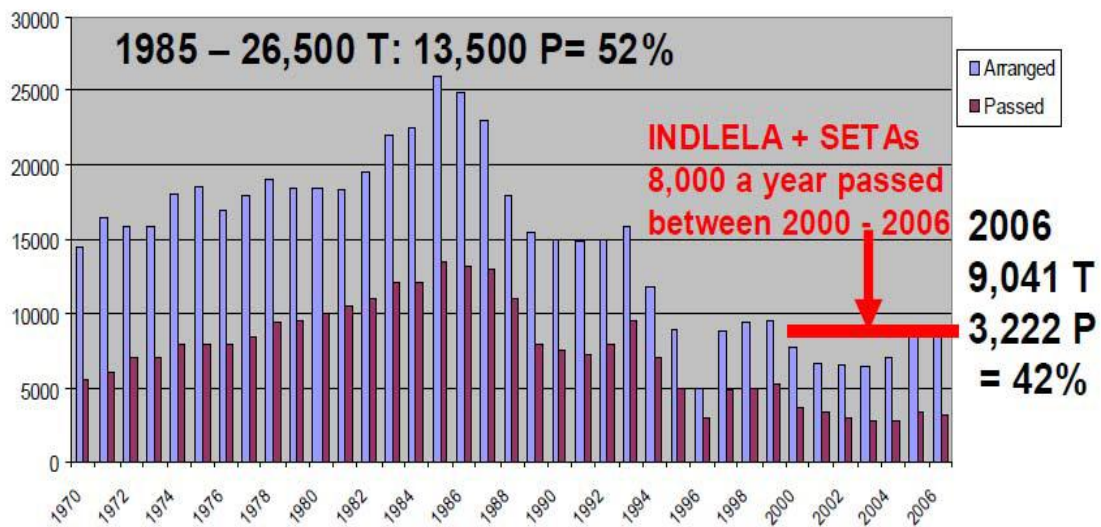


Figure 1. Trade Test Statistics by Prinsloo (2007).

Figure 1 depicts that despite concerted intervention by SETAs since 2000, artisan student numbers that applied to write the trade test in recent years are much less than what it was in the 1980's. More concerning is the sharp decline of artisan student numbers that eventually complete the trade test successfully (Prinsloo, 2007).

The under-supply of artisans is compounded by an ageing workforce, which, according to one report, has estimated that more than 70 per cent of current employed artisans will exit the labour force over the next five to six years with the average age of an artisan being 54 (Erasmus, 2008). Furthermore, JIPSA (2007) stated that South Africa produced about 5 000 artisans a year, and that this figure will have to rise to 12 500 a year for the next four years to meet demand for a projected increase of 30 000 over the period 2007 to 2010. In JIPSA's view this is both a conservative estimate of needs and a stretch target in terms of South Africa's current capacity to produce artisans.

The various artisan interventions as mentioned in this section of the review are all attempts to address the current shortage of artisans. It would be time consuming and costly to increase the pool of qualified artisans. Prinsloo (2007) defined artisan labour market supply costing in the following manner:

- Average cost of artisan = R 120k over 3 years.
- Number of artisans required over 3 years = 100 000.
- At 50% pass rate & attrition, double the number of artisans.
- Cost over 3 years = 200 000 artisans x R 120 k = R24 billion.
- Required = R 8 billion a year.

Market indicators suggest the cost to an organisation of losing a artisan is probably between 50 and 100 per cent of the person's annual wage, usually the result of both direct and indirect cost of unplanned employee turnover (Bussin, 2011). It is therefore important to conceptualise and understand what the artisan scarce skill and/or skills is about and to investigate and interpret which attributes to the artisan value proposition will lead to the successful attraction and retention of artisans in organisations.

Empirical research objectives

The successful retention of artisans in the workplace has been affected by extensive changes in workforce demographics, as organisations are required to manage diverse groups. In particular, changes in the age profile of artisans have emerged. The introduction of equity legislation in South Africa has exacerbated the difficulties organisations face in retaining black employees in particular. In an effort to meet equity targets, companies often seek quick fix solutions, such as poaching equity candidates, resulting in these employees being highly marketable and mobile (Mauer, 2000).

The empirical objective of the current study is to identify the composition and the desired amount of total rewards that attract and retain artisans from race

groups and various age cohorts within the context of the South African workplace. The research questions that need to be answered include:

- What is the ideal rewards composition that will attract and retain artisans?
- What is the ideal rewards composition that will attract and retain artisans from various age cohorts?
- What is the ideal rewards composition that will attract and retain artisans from the various race cohorts?

Focussing on the research questions, the Integrated Artisan Retention Model is one approach that attempts provide a framework for the research study to be conducted. Refer to Figure 2 below.

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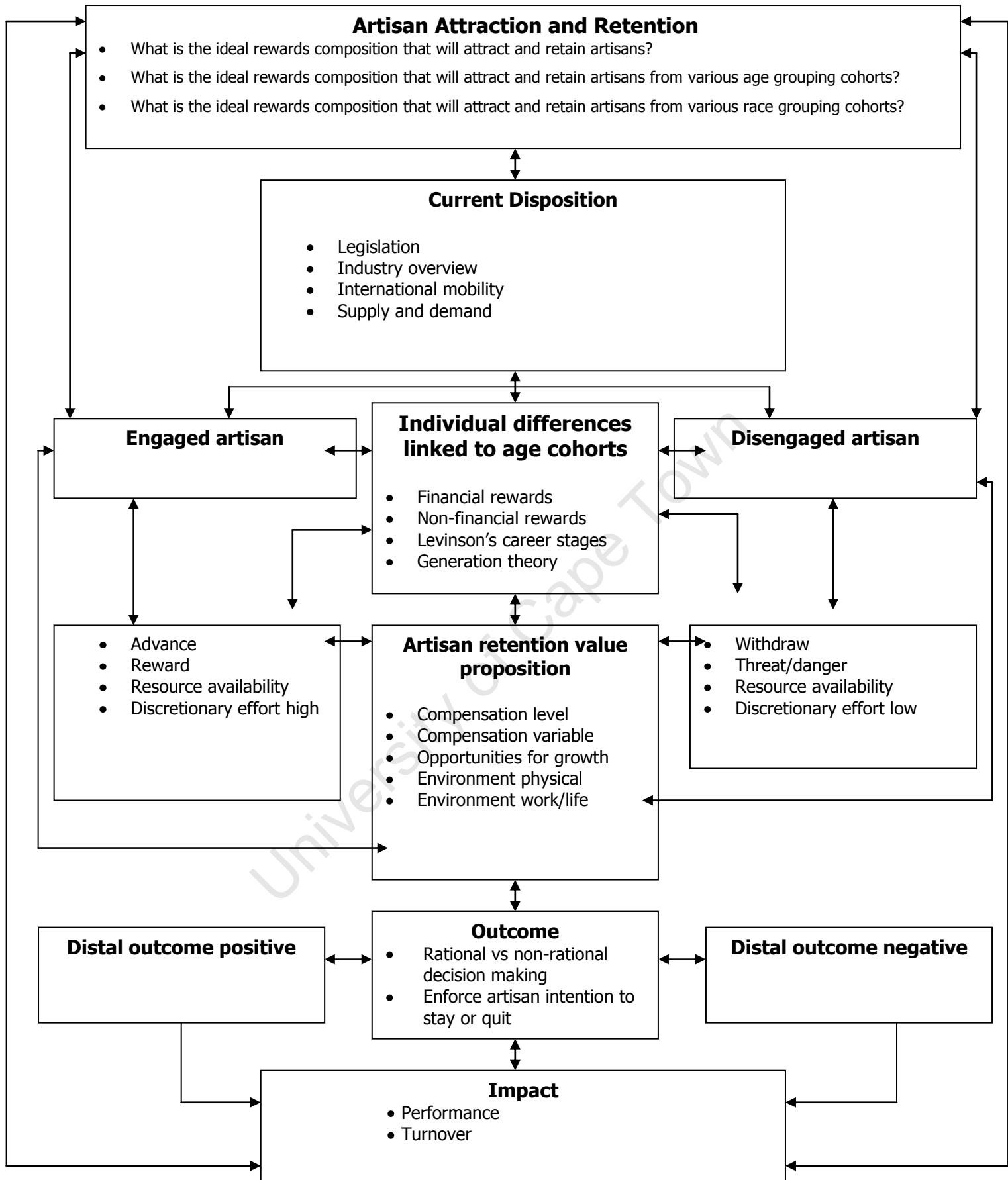


Figure 2. Integrated Artisan Retention Model

CHAPTER 2

LITERATURE REVIEW

Employee Retention (Total Rewards Model)

Employee retention entails a combination of activities that, when working well together, results in employees choosing to stay with the organisation for a long time (Hendricks, 2006). According to Hendricks (2006) employee retention efforts should focus on both attracting employees to join the organisation through focused recruitment and ensuring that employees with crucial skills who are already in the organisation stay. For this to be successful there needs to be underlying policies and structures that support employee retention. Some of the crucial retention factors that have been identified are that there should be clear and well-defined human resource planning, recruitment and selection processes (Berger, 1991). The number of organisations implementing specially designed retention mechanisms is increasing. The need for organisations therefore to adopt a purposeful attraction and retention strategy is becoming imperative, specifically engaging artisans to deliver maximum effort voluntarily (Ngobeni & Bezuidenhout, 2011).

The Hay Group (2002) developed a total rewards model based on retention (see Figure 3) which described not only the transactional and relational elements of reward but focussed also on what employees defined as a compelling, high performance workplace. This total rewards model comprises six key elements, namely: quality of work; work and life balance; inspiration and values; enabling environment; future growth and opportunity; and lastly tangible rewards. The inspiration and values cluster followed by the future growth and opportunity cluster is what employees value most, with tangible rewards coming third or fourth in priority.

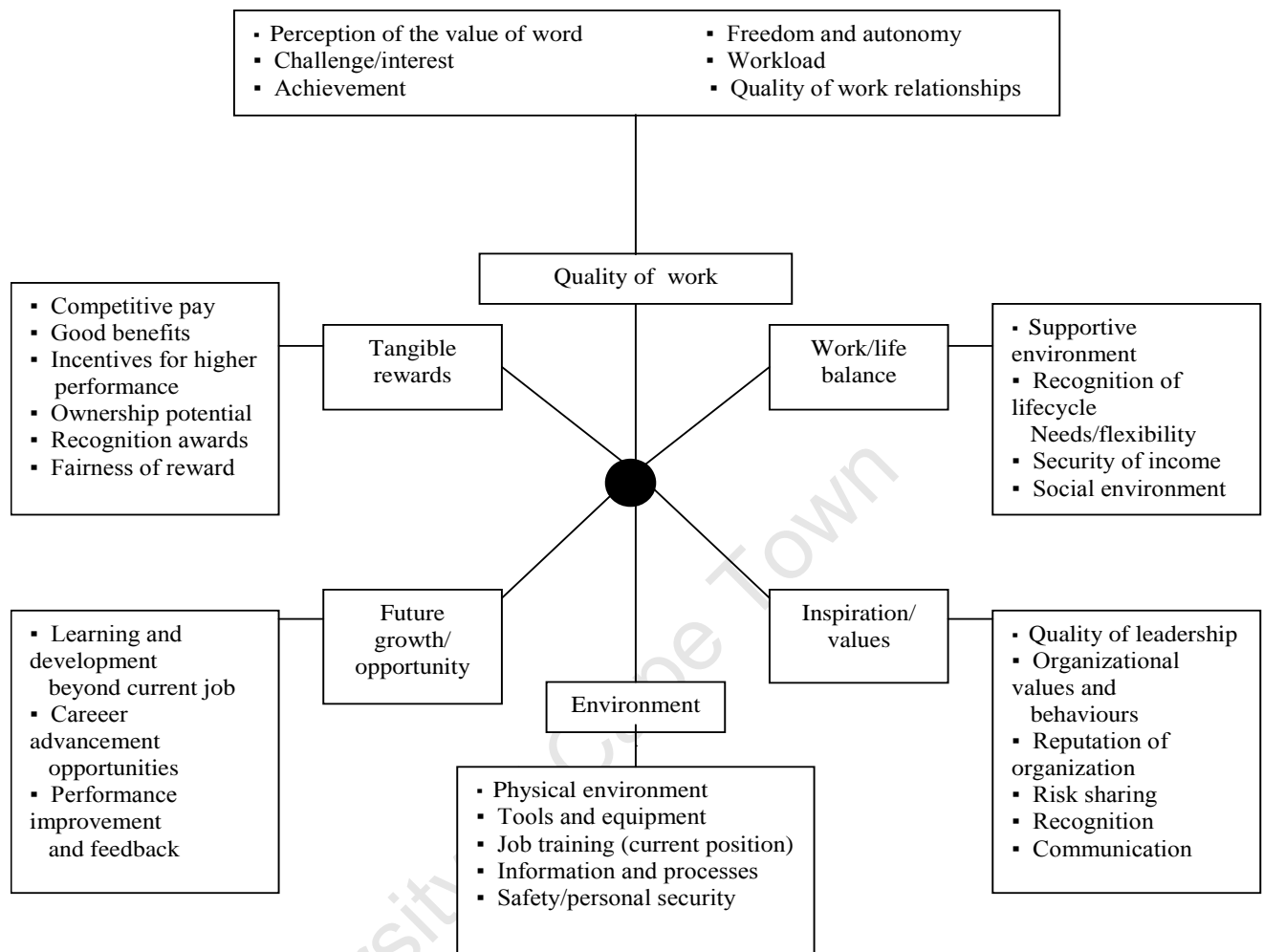


Figure 2. The Hay Model by The Hay Group (2002)

Financial reward for artisans

Rampfumedzi (2009) found that the reasons why artisans would leave a company most often included remuneration. Jordaan and Barry (2009) similarly found that the salary levels for artisans across industries are perceived to be low and that salary levels are perceived to be the main employment factor which is important for the retention of artisans as well as being the main reason for the current shortage of artisans.

To improve the situation, the salaries of artisans should be critically evaluated. Most of the mining houses have allocated significant amounts of money to artisan retention practices in order to try and retain the skills within the organisation. This has been in the form of signing-on bonuses that are coupled to the employee committing to stay for a certain period of time before moving to another company. Many companies are also paying a scarcity allowance. The general benchmark is based on 10-12 years' experience for which the allowance is +/- R 3 000. In some cases it is based on a sliding scale (Rampfumedzi, 2009).

Bussin (2011) identified a remuneration treatment for scarce skills that included:

- **Base pay (guaranteed pay).** In order not to distort the salary scales within an organisation, these employees would be paid within the applicable grade range. It should be ensured that the guaranteed portion is in-line with the appropriate levels of employees within the same grade.
- **Variable pay.** This part of the employee's total remuneration includes variable pay components such as a performance incentive scheme or a reward and recognition scheme. Measurable targets should be in place, and payouts of these schemes should be in-line with the rest of the organisation's remuneration policy.
- **Market premiums and allowances.** A scarce skill premium may be placed over and above the guaranteed pay. Market premiums are not guaranteed. The premium is usually expressed as a percentage of the midpoint of the organisation's pay scale, and the same level of premium is paid to individuals irrespective of their position within that scale.

Bussin and Spavins (2009) further highlights the point that remuneration should not be based on a one-size-fits-all strategy, as is most often the case and that there should be flexibility in the structuring of the pay for different

employees. They investigated employees of different age groups and established how they would like their pay to be structured. The results are presented in the table below (see Table 1). The table summarises the responses (on a scale of 1 to 7) of the various age cohorts.

Table 1

Remuneration preference of the different age groups

Option	18 – 29 years	30 – 44 years	45 – 54 years	≥ 55 years
Base salary	1	2	1	2
Variable Pay	2	4	4	6
Shares	3	5	6	5
Medical Aid	5	1	5	3
Retirement funding	6	6	3	1
Deferred compensation	4	3	2	4

From the table it can be seen that different age groups value different remuneration structures. Although base pay is considered to be important for all age cohorts, variations between the age cohorts are evident, for example variable pay is considered to be important for age cohort (18-29) but not so for age cohort (≥ 55 years). One explanation for this variation could be that the age cohort (≥ 55 years) employee is nearing retirement and value stability of income more as this would optimise their financial planning capability.

With benefit cost absorbing up to 40% of total payroll cost, employers are reevaluating their total benefit packages. There also needs to be an alignment between compensation and benefits for the employees. However many retention packages does not include non financial elements and/or needs and for this reason these retention packages have little effect on employee retention (Grobler, Warnich, Carrell, & Elbert, 2002).

Non-Financial reward for artisans

Jordaan and Barry (2009) attempted to identify non-financial needs and found that most artisans are not preparing themselves for career advancement by obtaining formal qualifications and/or training. Employers are seemingly not encouraging artisans to become better skilled as most often they do not have personal development plans. Similarly, Rampfumedzi (2009) found that the reasons why artisans would leave organisations included the lack of career advancement. Loughlin and Barling (2001) believe that several changes in the workplace and emerging issues of importance to young workers need to be highlighted, because they will shape future research agendas including management and organisational practices. These issues include:

- **Non-standard work and work quality.** Globally the proportion of non-standard jobs (temporary, part-time, or contract positions) has continued to rise.
- **Leadership.** The information age, intense global competition and the need to manage an increasingly diverse workforce are all placing new demands on leadership in organisations.
- **Workplace safety and health.** Young people are inexperienced and eager to please. They are typically given little or no on-the-job training and are vulnerable.
- **Work-family conflict.** The challenge of the coming decade is how best to meet this multiplicity of needs that includes organisational practices, policies and programmes as well as a philosophy that actively supports employees' efforts to be successful within and outside the workplace.

By engaging artisans on their financial and non-financial needs, this could further enable the understanding of the total reward factors and the ideal combination and relative quantum of total rewards that attract and retain artisans. This information can then in turn be used to plan and implement reward models that attempts to deal with the critical shortage of artisans.

Employee engagement

Stragalas (2010) defined employee engagement as the level of employee commitment to the work and to the organisation, which is linked to motivation, satisfaction and direction of energy. Similarly Govender (2010) indicated that employee engagement involves one's thinking, attitudes, feelings, behaviour and involvement in the organisation, all of which bring about desired outcomes. Engagement does not happen overnight; it is something that needs to be build into the corporate culture. What engages employees is the feeling that they are making a difference in the work that they care about, that they are working with people who share their mission and values, and that their organisation respects them as adults (Bussin, 2011). One of the main reasons for the interest in employee engagement is its presumed relationship with important organisational outcomes such as employee retention and organisational success (Kaur & Sandhu, 2010).

The South African Workforce Insight Report: H1 2012 focuses on trends in Employee Value Proposition (EVP) attraction, engagement and retention. The report used global data collected through CLC Human Resources' quarterly global labour market survey, which polled over 18 000 employees in 28 countries. This report highlighted trends from the second half of 2011 through the first half of 2012 in the South African workforce based on data from one thousand one hundred and twenty four participants. According to the report there have been major shifts in the drivers of attrition in the past year in South Africa.

Departing employees are citing compensation much less and instead is reporting manager quality as the number one reason for leaving their organisation. This coincides with the increased importance of an organisation's reputation for managing people, which is now the second driver of attrition. These developments suggest that organisations in South Africa must focus their attention on improving engagement strategies (Corporate

Leadership Council, 2012). Employees in South Africa indicated the highest dissatisfaction with the attributes as summarised in Table 2 below and the cause for them leaving their current employer.

Table 2

EVP drivers of attrition 2012

Attribute	Impact of attribute	
	H1: 2012	H2:2011
Manager Quality	49%	21%
People Management	42%	35%
Future Career opportunities	41%	44%
Recognition	30%	35%
Organisation growth rate	28%	28%
Compensation	25%	47%
Development opportunities	22%	26%
Ethics and Integrity	21%	14%
Respect	21%	30%
Empowerment	18%	25%

One employee engagement model, Gallup Q12, identifies twelve elements, or questions that identify and measure levels of engagement (Stragalas, 2010). Gallup Consulting (2008) defined these twelve core elements of engagement as follow:

- Do I know what is expected of me at work?
- Do I have the materials and equipment I need to do my work right?
- At work, do I have the opportunity to do what I do best every day?
- In the last seven days, have I received recognition or praise for good work?
- Does my supervisor, or someone at work, seem to care about me as a person?
- Is there someone at work who encourages my development?

- At work, do my opinions seem to count?
- Does the mission and purpose of my organisation make me feel like my work is important?
- Are my co-workers committed to doing quality work?
- Do I have a best friend at work?
- In the last six months, have I talked with someone about my progress?
- In the last year, have I had opportunities to learn and grow?

These twelve elements combine to form the Gallup Q12 Engagement Hierarchy. The building blocks are defined as (i) I get (ii) I give (iii) I belong and (iv) I grow. These four building blocks also form the stages of progression. The natural progression through the four stages is clear in that one first need to understand what is required of one, and given the necessary tools, equipment and competencies, one is able to perform. Once enabled, performing, facilitated through guidance, is easy. As one's contribution is recognised more and opinions start to count, a certain level of ownership and belonging becomes evident which sets the platform for growth and career development (Oosthuysen, 2008). Refer to Figure 4 for a graphic overview.

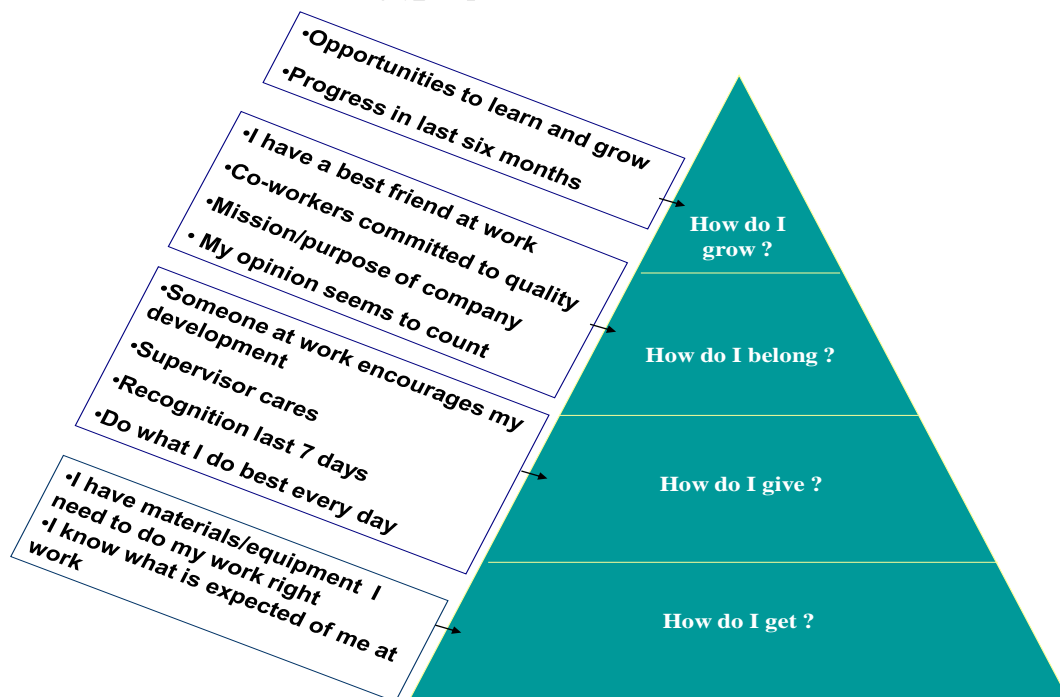


Figure 4. Gallup Engagement Hierarchy

The Corporate Leadership Council's employee engagement model links two key outcomes, namely (1) discretionary effort, and (2) intent to stay, to organisational performance. (Refer to Figure 5).

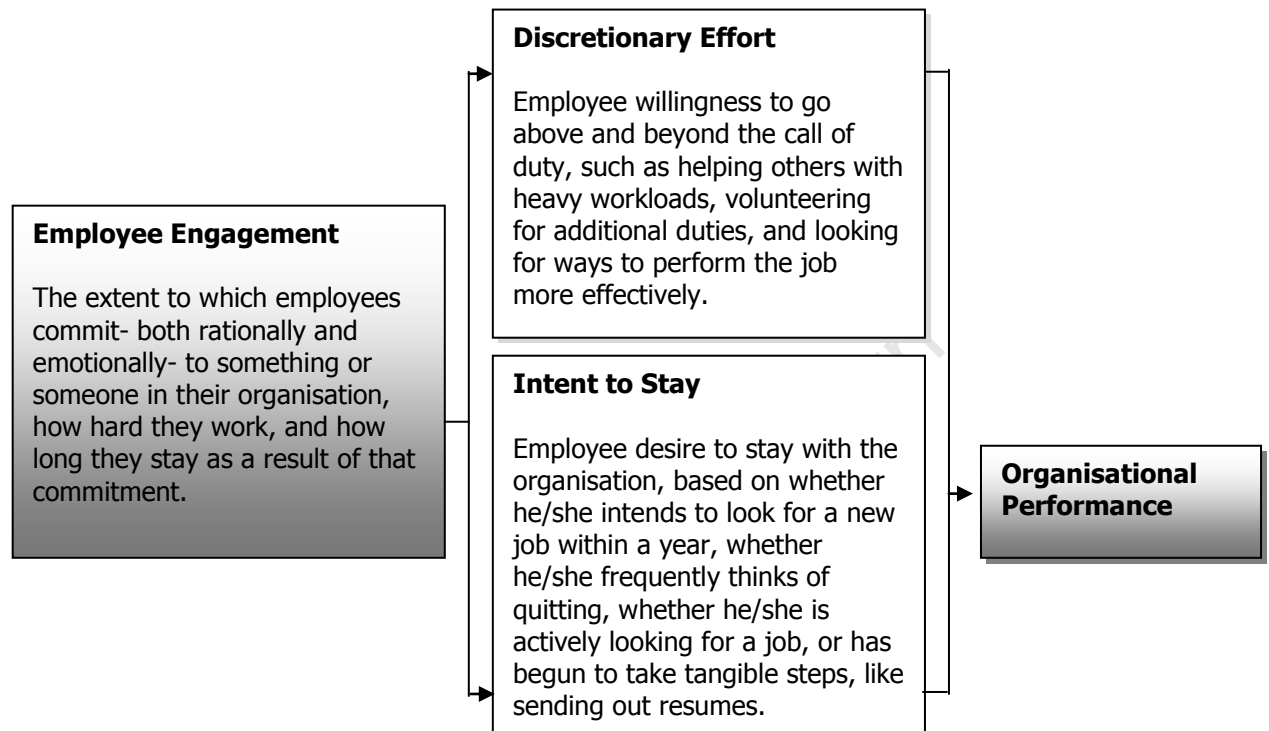


Figure 5. Corporate Leadership Council's Engagement Model

At work there are three types of employees; engaged, not engaged and actively disengaged employees. Engaged employees work with passion and feel a profound connection to their company. They drive innovation and move the company forward. Not engaged employees are essentially not committed and don't direct their energy and/or passion towards their work. Actively disengaged employees aren't just unhappy at work; they're busy acting out their unhappiness. Actively disengaged employees in turn undermine what their co-workers accomplish (Kreuger & Killham, 2006). This inadvertently leads to the argument that a set of engaged employees becomes a strategic asset (Joo & Mclean, 2006) in that it is a set of difficult-to-trade-and-imitate,

scarce, resources and capabilities that bestow an organisation's competitive advantage (Amit & Shoemaker, 1993).

Proposing a total rewards model that involves the integration of financial and non-financial elements that attract, motivate and retain artisans required to achieve desired performance results and/or reduced levels of voluntary turnover based on effective employee engagement practices, requires a holistic approach that should make provision for the consideration of individual differences. Organisations can no longer assume that all of their employees have the same needs and/or expectations (Lancaster & Stillman, 2003). A framework for understanding the individual employee holistically provides insight into how companies can engage employees for long-term contribution.

Individual differences

Organisations can best use their resources by engaging employees and determining which benefits are truly demanded. Managers need to understand and incorporate individual need differences in the workplace as these differences collide at the core elements of managing, recruiting and retaining the best people, setting performance standards and expectations, motivating employees and reward systems. Engaging with artisans, employers may find that these employees do not truly desire certain costly financial benefits and that they may rather have a greater need for non-financial benefits that could be less expensive (Grobler et al., 2002). Similarly organisations need to be aware that there is an age factor that will also have to be considered when engaging with and trying to attract and retain employees from the different groups (Rampfumedzi, 2009).

Levinson (1986) argued that there are major changes in the nature of our lives from one era to the next and changes within eras. Each era and development period begins and ends at a well defined modal age, with a

range of about two years above and below this average. Refer to Figure 6 on career stages by Levinson.

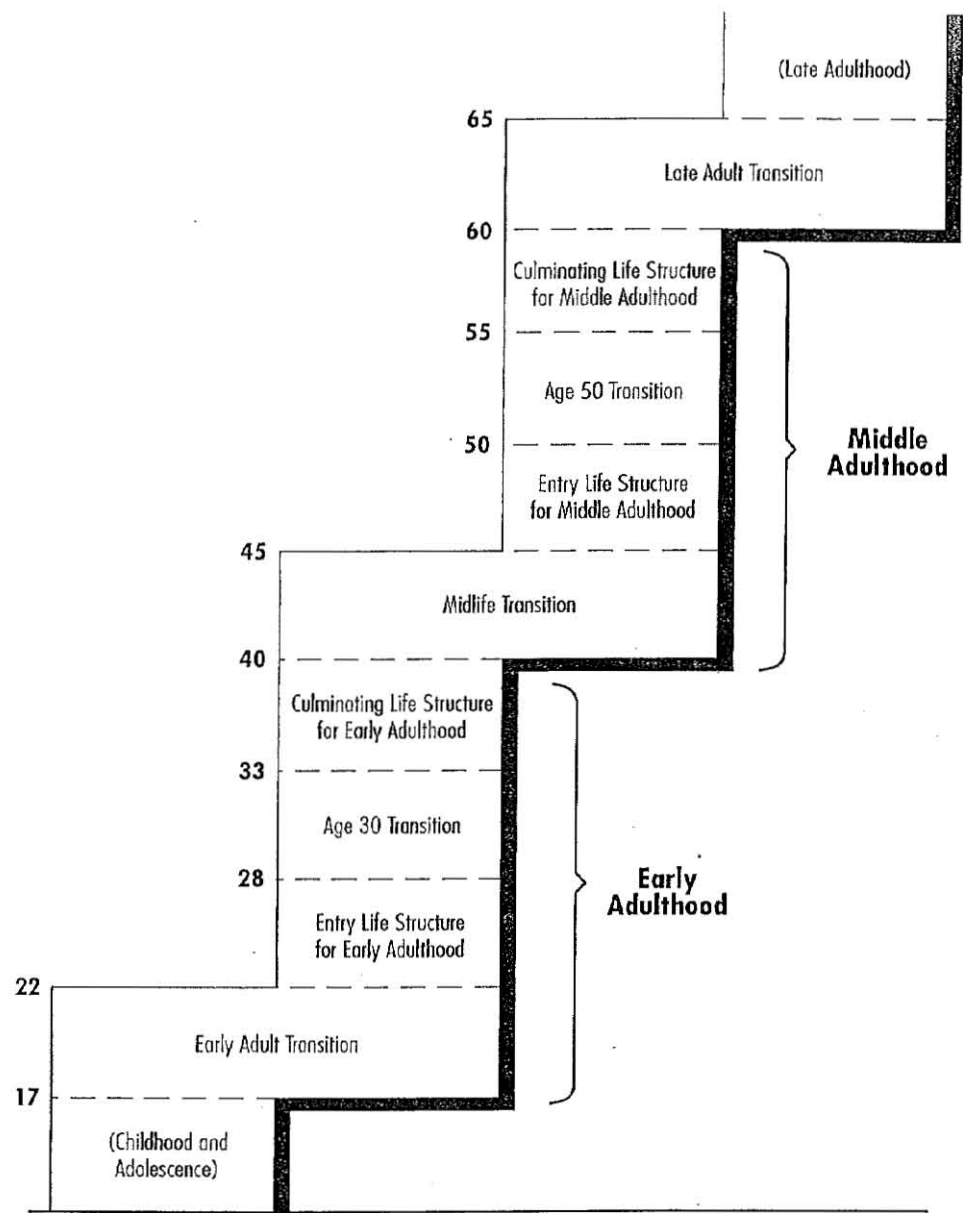


Figure 6. Career Stages by Levinson

Levinson (1986) identified four career stages in human development. These include:

- **Preadulthood.** It extends from conception to roughly age 22. During this time the neonate becomes biologically and psychologically separate from the mother and establishes the initial distinction between the me and the not me. This would be the first step in a continuing process of individuation.
- **Early Adulthood.** Lasts from about age 17 to 40. In social and psychological terms, early adulthood is the period for forming and pursuing youthful aspirations, establishing a niche in society, raising a family and as the era ends, reaching a more senior position in the adult world. Within this age cohort Lancaster and Stillman (2003) focussed on two generation cohorts namely, (1) Generation X'ers that was born between 1965 and 1980, and (2) Generation Y that was born between 1981 and 1999. Due to distinct life experiences, each generation develops a unique personality that determines its feelings towards authority and the organisation. This generational personality could also influence what individuals expect from their employer. The most successful reward elements to retain Generation X employees include the offer of career development opportunities including jobs that aid this generation in advancing to the next job; career ladders; and providing challenging assignments. These rewards are in alignment with this generation's need to be loyal to their own skills as opposed to a particular company. The most successful reward elements to retain Generation Y employees include advancement opportunities; developing new knowledge; open and transparent communication; challenging and meaningful work; and work-life balance.
- **Middle adulthood.** Lasts from about age 40 to 60 where individuals normally become senior citizens and are responsible not only for own work and perhaps the work of others, but also for the development of current generations of young adults who will soon be the dominant generation. Within this age cohort Lancaster and Stillman (2003)

focussed on two generation cohorts namely, (1) Generation X'ers that was born between 1965 and 1980, and (2) Baby Boomers that was born between 1946 and 1964. Reference was made to Generation X'ers in the section above. The most successful reward elements to retain Baby Boomers include pay and benefits. In addition they value a stellar career (title, office and influence). They are competitive, cautious and political.

- **Late adulthood.** Starts at about age 60. The late adult transition from 60 to 65, links middle and late adulthood and is part of both. Bodily decline may appear more devastating, illness and death may begin to take away one's family and friends, and retirement, with the attendant loss of status and power, becomes a reality.

Each era is comprised of alternating stable and transitional periods. In stable periods, which usually last six or seven years, people pursue goals to accomplish their significant life values. Since no life structure remains appropriate forever, transitional periods, normally of four to five years' duration, exist to question and reappraise the structure and consider making changes in various parts of one's life.

Super (1990) departs from the tightly linked chronological age and postulates that the stages bear no invariant relationship to chronological age and that the psychological changes achieved by passing successfully through a given stage are not necessarily permanent. He argued that the timing of transitions between career stages is more a function of the individual's personality and the life circumstances than of chronological age. However, although there are several factors that complicate attempts to link career stages to age, the task is not merely to classify an individual into a particular stage, but to understand how careers unfold and how people relate to work at different stages of their careers and lives. For example the 42-year-old-women accept employment for the first time in nearly 20 years. The person primarily has to deal with the early career issues of socialisation and establishment, but from

the perspective of a 42-year-old. The 55-year-old former advertising executive leaves his current employment to start a new career. Although he will have to establish himself in his new career, it would be from the vantage point of a person nearing late adulthood (Levinson, 1986).

Conclusion

It is apparent from the above overview of total rewards (Hay model), that previous research has identified a variety of rewards as being successful in the retention of employees in general. Developing and implementing a total rewards approach that recognises individual differences may be difficult, but the benefits are considerable (Armstrong & Murlis, 2004). These are:

- **Deeper impact.** The combined effect of financial and non-financial rewards could have a positive impact on the motivation and commitment of people, enhancing the employee relationship.
- **Increased engagement** as part of the process. Involving people in their own reward package design gives them strong positive messages about the organisation and its values.
- **Flexibility to meet individual needs.** Relational rewards may bind individuals more strongly to the organisation because they recognise and can answer special individual needs.
- **Winning the war for talent.** Relational rewards help to deliver a positive psychological contract. The organisation can become an employer of choice, thus attracting and retaining the artisans it needs.

The current study therefore has two main research objectives which it aims to address, namely (1) to identify the composition and the desired amount of total rewards that retain artisans from demographic groups, including race and various age cohorts and (2) to develop an understanding of the total rewards that these artisans, in the context of the South African workplace, deem important in their retention.

CHAPTER 3

METHOD

This chapter will focus on the methods used within the current study to address the research questions. The research approach and motivation for using the research design are discussed. Details of the three measuring instruments, the research sampling process, as well as the data collection procedures employed will also be described. Finally the methods for statistical analysis will be defined with specific details provided in respect of (1) descriptive statistics and factor analyses, and (2) conjoint analysis.

Research Design

The study followed both a quantitative and qualitative research approach while adopting a descriptive research design. Using this mixed method, primary data was collected from individuals by means of two focus groups discussions and two questionnaires. A key feature of mixed methods research is its methodological pluralism or eclecticism, which frequently results in an holistic research approach, as opposed to mono-method research. In addition it allows researchers to mix and match design components that offer them the best chance of answering their specific research questions. Mixed methods make use of the pragmatic method and system of philosophy. Its logic of inquiry includes the use of induction (discovery of patterns), deduction (testing of theories and hypothesis), and abduction (uncovering and relying on the best set of explanations for understanding results) (Johnson & Onwuegbuzie, 2004).

Descriptive research designs are usually structured and specifically designed to measure the characteristics described in a research question and can provide the user with a snapshot of the elements at a given point in time. Examples of types of research question using descriptive research designs include: Who is likely to be most satisfied; How much investment is required;

and Which brands and/or options are most preferred. These types of studies provide cross-sectional data. Data are collected at a single point in time and summarised statistically (Hair, Babin, Money & Samouel, 2003).

Method

In the discovery phase of scientific method good science requires that the following characteristics be taken into consideration in choosing the method:

- Is it empirical- meaning that it is compared against reality?
- Is it replicable or objective-meaning that the researcher's opinion is independent of the results? Other researchers conducting the study would obtain the same results.
- Is it analytical-meaning that it follows the scientific method in breaking down and describing empirical facts?
- Is it theory driven-meaning that it relies on previous body of knowledge?
- Is it logical-meaning that conclusions are drawn from the results based logic?
- Is it rigorous-meaning that every effort is made to minimize error (Hair et al., 2003)?

Based on these considerations a conjoint analysis was used to determine the factors (called attributes in conjoint analyses) that are most important for artisan retention. Conjoint analysis is one of many techniques for analysing situations in which a decision maker has to deal with options that simultaneously vary across two or more attributes (Green, Krieger & Wind, 2001). Terminology descriptors relevant to conjoint studies are outlined and defined as follow:

- **Attribute:** It is a general feature of a concept. Each attribute is made up of different levels.
- **Level:** It is a specific value describing a factor or attribute.
- **Stimulus:** It is a specific set of levels evaluated by respondents.

- **Utility:** An individual's subjective preference judgment representing the holistic value or worth of a specific object. It is assumed to be formed from a combination of part-worth estimates for any specified set of levels with the use of an additive model.
- **Part-worth:** The utility individuals attach to the levels of each attribute or a representation of the importance of each aspect of a concept in the individual's overall preference rating (Hair, Anderson, Tatham, & Black, (1987).

Figure 7 illustrates an example of how a choice based conjoint task is created. In this example the task is to choose a computer if these were the only choices you could make. The problem the decision maker faces is how to trade off the possibility that option X (Apple) is better than option Y (Dell) on attribute A (Brand) while option Y (21 inch monitor) is better than option X (27 inch monitor) on attribute D (Monitor size), and various extensions of these conflicts. Similarly Martins, Loubser and van Wyk (1996) argued that a conjoint analysis identifies the relative worth of each of the attributes making up a product, service or concept in order to find the offering which contains the most desirable combination of attributes.

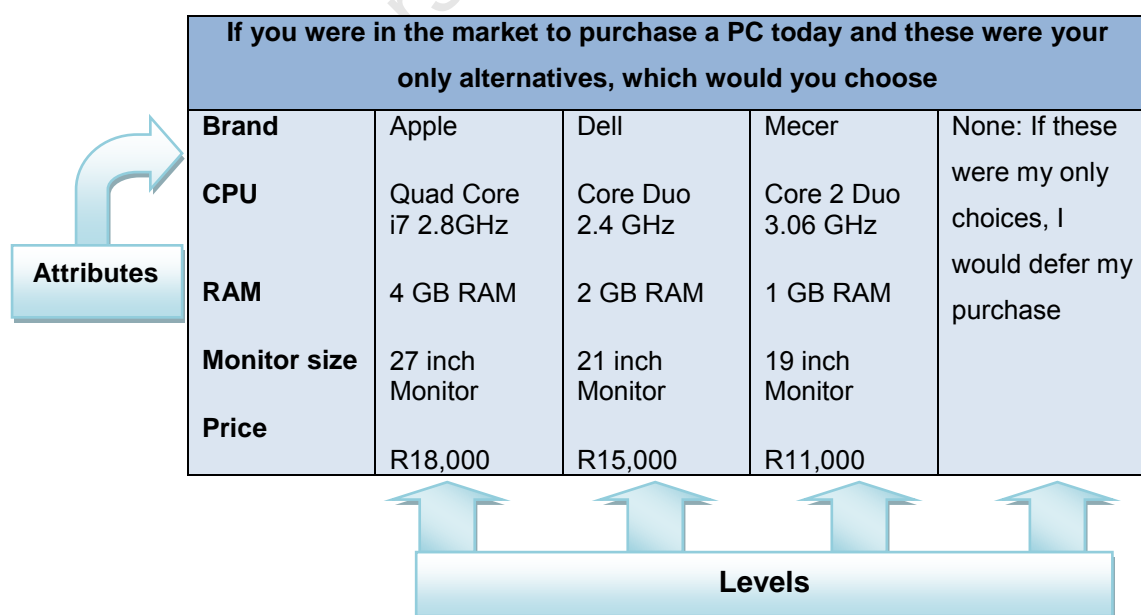


Figure 7. Example of a Choice Based Conjoint Task
 (Adapted from <http://www.sawtoothsoftware.com>)

The first step in designing a conjoint study is to develop a set of attributes and corresponding attribute levels to characterise the domain. Focus groups with artisans and internal corporate expertise (Human Resources and Remuneration Managers) are sources that were used to structure the sets of attributes and levels that guided the rest of the study. Focus groups are one of the most widely used interview techniques. Focus groups are structured in that a moderator has a list of topics to cover, but they are unstructured because the moderator allows participants to answer questions in their own words and encourages them to elaborate on their responses (Hair et al., 2003).

Step two involves designing the conjoint task. Four major types of procedures are currently used in practice. They include:

- In full profile techniques, each respondent sees a complete set of the full profile prop cards. After sorting the cards into ordered categories, the respondent rates each card on a 0 to 100 likelihood of purchase scale (Green et al., 2001).
- In compositional techniques, such as the CASEMAP procedure (Srinivasan, 1998) each respondent rates the desirability of each set of attribute level on a 0 to 100 scale and then rates the attributes on an importance scale. This approach is typically called self-explicated preference data collection.
- In hybrid techniques each respondent performs a self-explicated evaluation task and evaluates a subset of the full profile cards (Green, Goldberg & Montemayor, 1981). The resulting utility function is a composite of data obtained from both tasks.
- In adaptive conjoint analysis, a hybrid technique developed by Sawtooth Software, each respondent first performs a self-explication task and then evaluates a set of partial profile descriptions, two at a time. Researchers vary the partial profile descriptions depending upon responses to earlier paired comparisons. The respondent evaluates each pair of partial profiles on a graded, paired-comparisons scale.

Both tasks are administered by computer (Johnson, 1987). This technique was used to design the conjoint task for the research study.

Step three involves the selection of a model form. Conjoint analysts fit what is known as the part-worth model to respondents' evaluative judgments, whether they obtain these judgments using full profile, self-explicated or hybrid approaches (Green et al., 2001).

Step four involves data collection. Using choice-based conjoint analysis required respondents to choose a full profile stimulus from a set of alternative stimuli known as a choice set. Conjoint analysis software further aids this process by generating a series of unique combinations of levels and attributes and presents these randomly to respondents. Choice-based conjoint analysis also provides an option of not choosing any of the presented stimuli by including a no-choice set (Hair et al., 1987).

Step five includes the estimation of the conjoint model. Before the 1990's choice based models were either estimated from data pooled across all individuals or by latent class methods. The development of Hierarchical Bayesian modelling has enabled choice based conjoint users to obtain individual level part-worth estimates. To the extent that an individual's parameters are both self-consistent and different from the aggregated data, the individual's data will receive more weight in the estimation of his or her part-worth. Individuals whose part-worth are estimated poorly (that is, with large error from his or her own data) will receive more weight from aggregate data (Green et al., 2001).

Population and Sample

The artisan target population was defined as any person who worked as a millwright, electrician, plumber, boilermaker, mechanic, fitter and turner, pattern maker or injection moulder (CDE, 2007) within an identified Holdings

Limited Company within the FMCG environment as well as any qualified artisan who at one stage during 2011-2012 applied for any artisan vacancy at the identified company.

A non-probability sampling method, namely judgment sampling was used. Also known as purposeful sample, this is a sampling technique whereby the researcher actively selects the most productive sample to answer the research question (Marshall, 1996). This can involve developing a framework of the variables that might influence an individual's contribution and will be based on the researcher's practical knowledge of the research area, the availability of literature and evidence from the study itself.

Measuring Instruments

Focus Group Discussions

First a focus group discussion was held with a sample (n=4) of Remuneration and Human Resources Managers from a Holdings Limited Company within the FMCG industry in order to elicit their expert opinion pertaining to remuneration practices and the ideal rewards composition which in their opinion will attract and retain artisans. Secondly a focus group discussion was held with a sample (n=7) of artisans in order to elicit their opinion pertaining to remuneration practices and the ideal rewards composition for artisans. The process of selecting and interviewing the most suitable participants for the focus group discussions were crucial for the success of the research study as information from both these focus group discussions was used to guide the development of a conjoint task to determine the attributes and levels to be used in the conjoint analyses software questionnaire (Questionnaire 2). The duration for each of the focus group discussions was on average three hours where the results and/or definition for each of the five attributes constituted a democratic vote. The design template for the focus group discussions are depicted in Appendix A.

Details of the (1) Remuneration and HR Manager focus group sample, and (2) Artisan focus group sample are provided in Tables 3-4.

Table 3

Focus Group of Remuneration and HR Managers (n=4)

Classification	Frequency	Percentage
Remuneration Managers	2	50%
HR Managers	2	50%

Table 4

Focus Group of Artisans (n=7)

Classification	Frequency	Percentage
Electricians	2	28.57%
Maintenance Fitters	2	28.57%
Maintenance Supervisors	2	28.57%
Maintenance Manager	1	14.29%

Questionnaire 1 (Total Rewards)

The first questionnaire was developed using principles of the Hay Model and the WorldatWork Total Rewards Model, and was designed to determine which total rewards respondents deemed most important in deciding whether to stay or leave their current organisation (Hay Group, 2002; Pregnolo, 2010). Responses were recorded on a 5-point Likert-type scale where 1 represented "Not at all important" and 5 "Very Important." The scale comprised 20 questions covering six total rewards namely: (1) Quality of Work; (2) Work-Life Balance; (3) Future growth opportunities; (4) Tangible rewards; (5) Inspirational values; and (6) Environment. A copy of this questionnaire is attached in Appendix B.

Questionnaire 2 (Conjoint Task)

The second questionnaire contained a computer generated conjoint task which was used to establish employee preferences for the ideal composition of total rewards. As mentioned previously there are five steps which were followed in the design and execution of the conjoint task included in the conjoint questionnaire. A copy of this questionnaire is attached in Appendix C.

Data Collection Procedure

An electronic questionnaire was developed for Questionnaires 1 and 2, where after the electronic questionnaire was used to develop the choice based conjoint task in Questionnaire 2. Conjoint tasks were initially presented followed by twenty Likert-type scale questions. Demographic information was captured in a separate section at the end of the questionnaire and consisted of eight items covering race, age, qualification confirmation, job title, number of years with current employer, and division in which artisan were employed.

Both questionnaires were submitted to the UCT Commerce Faculty Ethics Committee and ethics approval was granted. The questionnaires were subsequently presented to the Executive and Human Resources Managers of a Holdings Limited Company within the FMCG environment and consent was granted to distribute both questionnaires. The e-questionnaire was embedded via a hyperlink in an e-mail and distributed to divisional human resources managers at the FMCG Company with a request for them to forward this to the artisans within their respective divisions. Simultaneously the questionnaire was distributed via e-mails to artisans who during 2011-2012 applied for artisan vacancies with the FMCG Company. Instructions for completion were included in the body of the questionnaire and directed respondents to click on the hyperlink (URL) embedded in the email. By clicking on the hyperlink, the webpage containing the e-questionnaire was opened. A submit button was included at the end of the questionnaire and respondents were required to

click on this in order to register their responses. If this step was not followed the survey was counted as incomplete and the data discarded. In order to obtain an optimal response rate, a R1000 Woolworths shopping voucher was offered via lucky draw to all respondents. To qualify, respondents were required to capture their personnel number on the questionnaire. Confidentiality was maintained by ensuring that the respondent's personnel number was not linked to the response data. Details of the date of the draw were noted on the questionnaire and the winner advised via e-mail. The questionnaire was administered over an eight week period and took approximately 18 minutes to complete. After the closing date of the questionnaire, the conjoint task data was calculated and the outputs together with the results of the Likert scale items were downloaded into MS Excel. The data from Questionnaire 1 was transferred for analysis into the Statistical Package for the Social Sciences (SPSS) version 18.

Data Analyses

For analysis purposes the total sample of responses (n=154) was cleaned, using a criteria: a submit button was included at the end of the questionnaire (conjoint) and respondents were required to click on this in order register their responses. If this step was not followed the survey was counted as incomplete and the data discarded, resulting in a cleaned sample of (n=143). Details of the race grouping sample are provided in Tables 5-6 below.

Table 5

Categorisation of race sample (n=143)

Classification	Frequency	Percentage
African	53	37.07%
Coloured	30	20.97%
Indian	3	2.10%
White	57	39.86%

The following groups were combined to ensure a more balanced sample: Africans, Coloureds and Indians were combined into Blacks under the race group sample (i.e. creating a Black and White group).

Table 6

Re-categorisation of race sample into Blacks and Whites (n=143)

Classification	Frequency	Percentage
Black	86	60.14%
White	57	39.86%

Age groups were combined to form adult life development cohorts as defined by Levinson (1986), namely cohort 29 and less; cohort 30-39; cohort 40-49; and cohort 50+. Details of the age cohorts sample are provided in Table 7 below.

Table 7

Re-categorisation of age sample into adult life development cohorts (n=143)

Classification	Frequency	Percentage
29 and less	24	16.78%
30-39	60	41.96%
40-49	36	25.18%
50+	23	16.08%

The outcomes of Questionnaire 1 were analysed using descriptive statistics and factor analyses. The outcomes of Questionnaire 2 were analysed using conjoint analysis. The utilities resulting from the estimation process formed the basis of the data to be analysed, determining the attractiveness of the various attribute level combinations in order to ultimately determine the ideal total rewards composition for artisans.

CHAPTER 4

RESULTS

Results obtained from the two focus group discussions and the two questionnaires (Total Rewards and Conjoint task) represent the discussion of this section. The relative attribute importance as well as the ideal composition of total rewards across demographic groups, including race and various age cohorts will be illustrated.

Focus Groups

Responses provided by focus groups (1) a sample (n=4) of Remuneration and Human Resources Managers from a Holdings Limited Company within the FMCG industry and (2) a sample (n=7) of artisans were combined and the results for each of the five attributes were interpreted in Table 8 below.

Table 8

Conjoint Task for Artisans

Attributes/Factors	Level 1	Level 2	Level 3
Compensation (level)	Average market related base pay	One and a half times (1.5) the average market related base pay	Twice (2 times) the average market related base pay
Compensation (variable)	13 th Cheque	Short term variable performance related bonus	Long term retention bonus
Opportunities for growth	On the job skills training	Bursaries for further studies towards a qualification	Supervisory/Management/ Leadership training
Environment (physical)	Safe work environment	Safe work environment with the best tools available to do the work	Safe technology advanced and ergonomic designed factory
Environment (work/life balance)	Shift cycles including weekends	Shift cycles excluding weekends	Regular work hours (8 to 5) excluding weekends

Questionnaire 1 (Total Rewards)

Descriptive Statistics

The means and standard deviations of each of the twenty questions across the different demographic groups are presented in Tables 9-11. The univariate sample measure of skewness and kurtosis was used. These statistics are generalized to test a hypothesis of multivariate normality. Results of the current study suggest that the responses are not normally distributed; describing negative skewness.

Table 9

Descriptive Statistics (n=143)

Question	Mean	Std.	Skewness	Kurtosis		
	Statistic	Deviation	Statistic	Std. Error	Statistic	Std. Error
Q1	4.16	.951	-1.243	.195	1.188	.389
Q2	4.12	1.114	-1.211	.195	.464	.389
Q3	4.36	.853	-1.465	.195	2.015	.389
Q4	4.47	.751	-1.783	.195	4.048	.389
Q5	4.44	.714	-1.320	.195	1.836	.389
Q6	4.53	.697	-1.851	.195	4.909	.389
Q7	4.45	.677	-1.368	.195	2.532	.389
Q8	4.37	.758	-1.375	.195	2.618	.389
Q9	4.36	.791	-1.310	.195	1.526	.389
Q10	4.31	.875	-1.426	.195	1.842	.389
Q11	4.45	.793	-1.483	.195	1.707	.389
Q12	4.31	.873	-1.355	.195	1.602	.389
Q13	4.10	.913	-.926	.195	.415	.389
Q14	3.32	1.198	-.383	.195	-.843	.389
Q15	4.06	.916	-.840	.195	.229	.389
Q16	4.07	.964	-.987	.195	.314	.389
Q17	4.54	.751	-1.917	.195	4.209	.389
Q18	4.66	.743	-2.851	.195	9.165	.389
Q19	4.40	.718	-1.079	.195	.946	.389
Q20	3.97	1.025	-.819	.195	-.115	.389

Valid N
(listwise)

Descriptive Statistics: Tests of normality

The Kolmogorov-Smirnov test for goodness of fit is based on the maximum difference between an empirical and a hypothetical cumulative distribution and allow researchers to evaluate the hypothesis that a collected data set, given a sample x_1, \dots, x_n of i.i.d. random variables with the distribution function, and consider the problem of testing $H_0; F = F_0$ versus $H_1: F \neq F_0$ (Massey, 1951). The Shapiro-Wilk test is a test of the composite hypothesis of normality and requires a complete specification of the null hypothesis. When these tests are used to test the composite hypothesis, the parameters must be estimated from the sample. Critical values corresponding to such modification of the test statistics are then applicable (Yazici & Yolacan, 2007).

Results of the tests (Kolmogorov-Smirnov and Shapiro-Wilk) suggest that (H_0 = data is normally distributed for all items), is rejected due to the fact that ($p < 0,01$) and that there is support for the alternative hypothesis (H_1 = data is not normally distributed for all items).

Table 10

Descriptive Statistics: Tests of normality (n=143)

Question	Mean	Std.	Kolmogorov-	Shapiro-		
	Statistic	Deviation Statistic	Smirnov Statistic	Sig.	Wilk Statistic	Sig.
Q1	4.16	.951	.273	.000	.775	.000
Q2	4.12	1.114	.273	.000	.756	.000
Q3	4.36	.853	.313	.000	.729	.000
Q4	4.47	.751	.342	.000	.680	.000
Q5	4.44	.714	.328	.000	.717	.000
Q6	4.53	.697	.362	.000	.665	.000
Q7	4.45	.677	.322	.000	.699	.000
Q8	4.37	.758	.297	.000	.741	.000
Q9	4.36	.791	.303	.000	.733	.000
Q10	4.31	.875	.291	.000	.737	.000
Q11	4.45	.793	.358	.000	.694	.000
Q12	4.31	.873	.293	.000	.748	.000
Q13	4.10	.913	.250	.000	.818	.000

Q14	3.32	1.198	.241	.000	.893	.000
Q15	4.06	.916	.247	.000	.830	.000
Q16	4.07	.964	.269	.000	.804	.000
Q17	4.54	.751	.386	.000	.647	.000
Q18	4.66	.743	.442	.000	.512	.000
Q19	4.40	.718	.313	.000	.747	.000
Q20	3.97	1.025	.246	.000	.835	.000

Valid N
(listwise)

Table 11

Means and Standard Deviations of total rewards elements across all demographic groups

Attributes	Black (n=86)	White (n=57)	29 and less (n=24)	30-39 (n=60)	40-49 (n=36)	50+ (n=23)
Tangible rewards	4.38	4.34	4.27	4.35	4.58	4.16
Inspirational values	4.25	4.12	4.3	4.13	4.32	4.08
Growth	4.47	4.27	4.62	4.27	4.45	4.36
Environment	4.1	3.85	4.09	3.96	4.2	3.7
Quality of work	4.48	4.23	4.39	4.31	4.51	4.34
Work-life balance	4.18	4.26	4.19	4.15	4.39	4.13
Tangible rewards	0.852	0.885	0.925	0.878	0.684	0.954
Inspirational values	0.938	1.022	0.884	1.060	0.860	0.979
Growth	0.834	0.855	0.570	1.045	0.730	0.610
Environment	1.058	1.118	1.006	1.167	0.989	1.043
Quality of work	0.688	0.865	0.610	0.935	0.628	0.640
Work-life balance	0.886	0.937	0.762	0.974	0.820	0.969

Figure 8 provides a graphical representation of the means of the total reward dimensions across all the demographic groups, including race and various age cohorts.

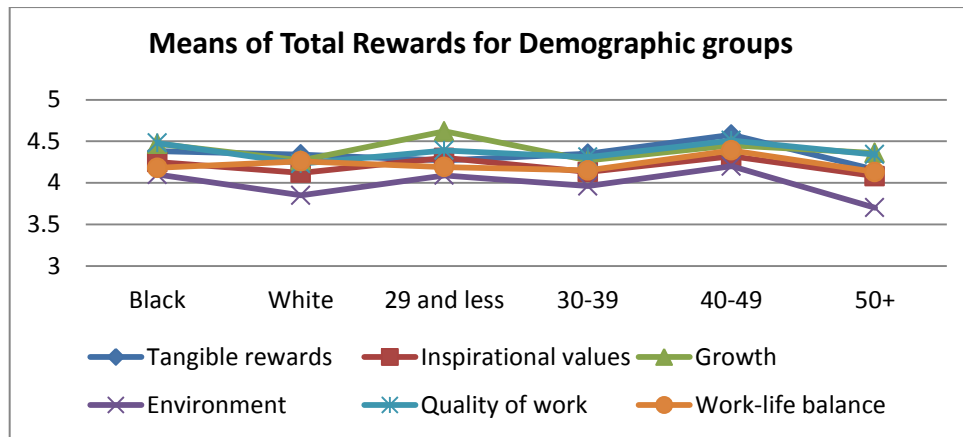


Figure 8. Means of Total Rewards for Demographic groups

The overall results from Tables 9.1-9.3 indicate that artisans regard all the elements within the total rewards composition as important, forcing the researcher to conduct a conjoint analysis to determine the factors (called attributes in conjoint analyses) that are most important for artisan retention.

Exploratory Factor Analysis

Exploratory Factor Analysis (EFA) was used to establish the underlying factor structure of the scale that was based on the Hay group total rewards model, and which made up Questionnaire 1. Factor analyses are used to discover patterns among the variations in values of several variables. This is done through the generation of factors that correlate highly with several of the real variables and that are independent of one another (Babbie, 1995). In order to conduct a Factor Analysis the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy should be > 0.6 and the Bartlett's Test of Sphericity should be significant with $p < 0.01$ (Pallant, 2004). The KMO Measure of Sampling Adequacy for the Factor Analysis was 0.83 and the Bartlett's Test of Sphericity was significant ($p = < 0.01$). These results therefore indicate that it was appropriate to conduct an Exploratory Factor Analysis on the data. In order to determine how many factors will be extracted only those factors with an Eigenvalue of more than 1 were selected (the so-called Kaiser criterion). Most

of the strategies that have been proposed to determine the number of components that account for the most variation in a principal components analysis of a correlation matrix rely on the analysis of the Eigenvalues and on numerical solutions. The Cattell's scree test is a graphical strategy with a non-numerical solution to determine the number of components to retain. Like Kaiser's rule, this test is one of the most frequently used strategies for determining the number of components to retain (Pallant, 2004).

The inclusion criteria used for the Factor Analysis were that factor loadings need to be ≥ 0.40 ; and if the difference in factor loadings across factors was ≤ 0.25 then the item was considered to have cross-loaded. If an item did not meet these criteria it was excluded and thereafter a new round of Factor Analysis was conducted. Considering the inclusion criteria, after the first round, items Q11: "The opportunities offered to you by your company for training within your current job e.g. skills training "; Q1: "Recognition provided to you by your employer e.g. Financial recognition such as a cash, paid travel "; Q20: "The provision of recognition via non-financial means e.g. certificates of recognition."; Q16: "Your employer's provision of employee health and wellness programmes e.g. Employee Assistance Programmes, counselling services, fitness centres." were removed as they did not meet the inclusion criteria ($\geq .40$ and $\leq .25$). After the second round the following item was deleted: Q10: "Having supportive and like-minded colleagues ".

The third round of Exploratory Factor Analysis was accepted as the final factor structure. An inspection of the scree plot, using Cattell's scree test, confirmed the presence of three factors (Pallant, 2004). Table 12 summarises the items within the scale that loaded on three factors and explained 56.56% of the total variance: Factor 1 (Eigenvalue =5.11) explained 34.12% of the variance, Factor 2 (Eigenvalue= 1.78) explained 11.89% of the variance, and Factor 3 (Eigenvalue 1.47) explained 10.51% of the variance.

Table 12

Factor Analyses for Total Rewards Scale

Pattern Mix	Description	1	2	3
Q7	The level of challenge and interest you derive from your job	.738		
Q5	The quality of performance feedback and performance discussions you have had with your supervisor	.715		
Q4	The opportunities offered to you by your company for career advancement e.g. job advancement/promotions, internships, and apprenticeships with experts, internal job posting	.654		
Q3	The opportunities offered to you by your company for learning and career development outside of your current job e.g. sabbaticals, coaching, mentoring, leadership training	.621		
Q8	The extent to which you are provided with challenging targets	.603		
Q6	The extent to which you believe your contribution and work is valued	.544		
Q17	The provision of a competitive pay package (i.e. basic salary plus benefits, allowances or variable pay)		.805	
Q18	Your employer's provision of medical aid, retirement and pension benefits		.730	
Q19	Your employer's provision of incentive bonuses/variable pay		.608	
Q15	The degree to which your employer encourages and organises team building or other social networking activities amongst employees			.634
Q14	Having social friendships at work			.594
Q12	The extent to which your employer supports a balanced lifestyle (between your work and personal life)			.570
Q13	Your employer's provision of work/life programmes such as flexible working arrangements, flexible hours			.547
Q9	Having a manageable workload and reasonable work pace			.523
Q2	The extent to which your employer respects differences in race, gender and age			.399
Eigenvalues		5.11	1.78	1.57
Percentage variance		34.12%	11.89%	10.51%

The factors that remained were labelled: Factor 1 = Job related factors, Factor 2 = Remuneration related factors, and Factor 3 = Work-life related factors. The means and standard deviations of each of the three factors across the different demographic groups are presented in Tables 13-14.

Table 13

Factor Descriptive Statistics (n=143)

Question	Mean	Std.	Skewness	Std. Error	Kurtosis	
	Deviation				Statistic	Std. Error
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
FAC1	4.43	.547	-1.221	.195	2.094	.389
FAC2	4.53	.610	-1.653	.195	2.797	.389
FAC3	4.04	.657	-.813	.195	.851	.389

Valid N
(listwise)

Table 14

Factor Descriptive Statistics: Tests of Normality (n=143)

Question	Mean	Std.	Kolmogorov- Smirnov	Sig.	Shapiro- Wilk	
	Deviation				Statistic	Statistic
	Statistic	Statistic	Statistic	Sig.	Statistic	Sig.
FAC1	4.43	.547	.152	.000	.868	.000
FAC2	4.53	.610	.236	.000	.769	.000
FAC3	4.04	.657	.123	.000	.945	.000

Valid N
(listwise)

ANOVA was then used to assess the statistical differences between the means of the three groups. A one-way ANOVA was used whereby the impact of one independent variable, which has a number of different levels, is evaluated in relation to a continuous dependent variable (Pallant, 2004). Results are depicted in Table 15-16.

Table 15

ANOVA: race groups

		Sum of Squares	df	Mean Square	F	Sig.
Fac1	Between Groups	1.880	4	.470	1.666	.161
	Within Groups	39.202	139	.282		
	Total	41.082	143			
Fac2	Between Groups	.056	4	.014	.036	.997
	Within Groups	53.055	139	.382		
	Total	53.110	143			
Fac3	Between Groups	1.540	4	.385	.869	.484
	Within Groups	61.564	139	.443		
	Total	63.104	143			

The results of the ANOVA indicated that no statistically significant difference exists between the means for the different demographic groups (race) with respect to Job related factors: $F(2, 139) = 1.666$, $sig = .161$; Remuneration related factors: $F(2, 139) = .036$, $sig = .997$; and Work-life related factors: $F(2, 139) = .869$, $sig = .484$ as the mean difference is significant at the 0.05 level.

Using the composite Black and White groups (reported in Table 6) no significant differences were found between the means for the two groups, using t-test. Results for the 3 factors include: (1) Factor 1 (Mean Black = 4.54, Mean White = 4.31, $T = 2.39$, $p = .018$); (2) Factor 2 (Mean Black = 4.53, Mean White = 4.54, $T = -.039$, $p = .969$); and (3) Factor 3 (Mean Black = 4.04, White = 4.03, $T = .044$, $p = .965$).

Table 16

ANOVA: age cohorts

		Sum of Squares	df	Mean Square	F	Sig.
Fac1	Between Groups	.405	2	.202	.702	.497
	Within Groups	40.677	141	.288		
	Total	41.082	143			
Fac2	Between Groups	3.807	2	1.904	5.444	.005
	Within Groups	49.303	141	.350		
	Total	53.110	143			
Fac3	Between Groups	.425	2	.213	.478	.621
	Within Groups	62.679	141	.445		
	Total	63.104	143			

The results of the ANOVA indicated that a statistically significant difference exists between the means for the different demographic groups (age cohorts) with respect to Factor 2: Remuneration related factors: $F(2, 141) = 5.444$, $sig = .005$.

To determine where the significant difference lie the Turkey HSD (Honestly Significant Difference) post-hoc test was used. This entails finding the difference between the means of all the groups, and comparing the difference in scores. The results indicate that remuneration related factors were considered important for age cohort 29 and less (Tukey's HSD = 0.25. $p < 0.05$); age cohort 30-39 (Tukey's HSD = 0.43. $p < 0.05$); and age cohort 40-49 (Tukey's HSD = 0.43. $p < 0.05$). These results are reported in Table 17. In contrast to these results age cohort 50+ does not place the same level of importance on remuneration related factors.

Table 17

Factor 2 Tukey HSD

(I) Age_3Cat	(J) Age_3Cat	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
29 and less	30-49	-.18903	.13277	.332	-.5035	.1255
	50+	.25043	.17085	.310	-.1543	.6551
30-49	29 and less	.18903	.13277	.332	-.1255	.5035
	50+	.43946*	.13728	.005	.1143	.7646
50+	29 and less	-.25043	.17085	.310	-.6551	.1543
	30-49	-.43946*	.13728	.005	-.7646	-.1143

*. The mean difference is significant at the 0.05 level.

The overall results from the descriptive statistics as summarised in Tables 9-14 indicate that artisans regard all the elements within the total rewards composition as important. The research purpose was to further develop the understanding of the total reward factors and the ideal combination and relative quantum of total rewards that attract and retain artisans. In doing so a conjoint analysis was conducted to determine the factors (called attributes in conjoint analyses) and the attribute levels that are most important for artisan retention.

Questionnaire 2 (Conjoint Task)

Conjoint analysis was used to determine which combination of total reward attributes would attract and retain artisans. The results of the conjoint analysis task are outlined in three sections below. The first section provides an overview of the reliability of the conjoint model while the second section outlines details of the validity of the model. The third section provides an overview of the relative attribute importance. The ideal composition of total rewards is then identified via the attribute level with the highest utility. These results are presented on an overall basis as well as per demographic group.

Reliability of the conjoint model

A method of assessing reliability of the conjoint model is to determine the goodness-of-fit of the estimation model which in this study is the MultiNomial Logit model (MNL). Logit analysis is an iterative procedure to find the solution which is most likely to fit the MultiNomial Logit model to the data. For each iteration, the log-likelihood is reported together with a value of RLH or Root Likeli Hood. This is a measure of how well the model fits the choice data (Sawtooth Software, 2008; Pregnola, 2010). A respondent who answered inconsistently would have a low RLH value. The best possible value is 1.0 which means that all choices can be explained by the preference estimates. The worst value for this model would be 0.25 meaning that with four choice sets, a random model would predict 25% of the choices correctly (Eggers, Farsky & Gerber, 2009). An RLH below 0.25 was reported for one respondent. All other respondents were above this value with 0.92 being the highest RLH value. This indicates that there was a high level of reliability for this model.

Validity of the conjoint model

Since one must measure and control many variable in order to validate conjoint results, the validation process relies on hold out stimuli. A typical hold out task consists of two or more alternatives from which respondents must choose one. Hold out stimuli must be designed to ensure that one choice does not dominate in that the characteristics of the task resemble marketplace choices as far as possible. At the same time it differs from the marketplace in that it eliminates the influence of other factors such as awareness and the availability of alternatives (Hair et al., 1987).

In the current study validity was established by comparing the actual choice for each respondent in the holdout task with the predicted choice. The ratio of correctly predicted choices is called the hit rate which is a common validity measure. The hit rate was determined by using the estimation model to

predict the actual choices in the holdout stimuli, which were identical for each respondent and not used for estimation. The first step in this process entailed calculating the utilities of the three choices (four with the none-option) by summing up the utilities of each level within the task. Example Alternative 1: util (Average market related base pay) + util (One and a half times (1.5) the average market related base pay) + util (Twice (2 times) the average market related base pay) + util (Non of these offerings are more attractive than my current employment). The predicted choice is the alternative with the highest utility. The ratio of correctly predicted choices is represented by the hit rate (Eggers, et al., 2009; Pregnola, 2010). The hit rate for the conjoint model in this study was 66.4% which means that the model was able to produce 66.4% correct predictions from the holdout set. With four alternatives in the holdout set, a chance model would have resulted in 25% of predictions being correct. As such a 66.4% hit rate is considered to be a good score.

Relative attribute importance overall and per demographic group

The range of utilities within each attribute was calculated using the difference between the highest and lowest utilities per attribute, divided by the sum of the ranges across all attributes. Each attributes utility range was expressed as a percentage of the sum of the utility ranges across all attributes. These percentages provide an indication of the importance artisans attach to the various total reward attributes in their ability to retain (Martins et al., 1996). Tables 18-24 provide the results of the relative attribute importance overall and per demographic group, including race and various age cohorts.

Table 18

Relative Importance of attributes overall

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	1	Average market related base pay	-145.39	23.26%	2
	2	One and a half times (1.5) the average market related base pay	37.36		
	3	Twice (2 times) the average market related base pay	108.03		
Compensation (variable)	1	13 th Cheque	144.95	22.68%	3
	2	Short term variable performance related bonus	-42.86		
	3	Long term retention bonus	-102.09		
Opportunities for growth	1	On the job skills training	-51.76	8.65%	4
	2	Bursaries for further studies towards a qualification	9.32		
	3	Supervisory/Management/Leadership training	42.44		
Environment (physical)	1	Safe work environment	-53.90	7.50%	5
	2	Safe work environment with the best tools available to do the work	26.06		
	3	Safe technology advanced and ergonomic designed factory	27.84		
Environment (work/life balance)	1	Shift cycles including weekends	-217.20	37.90%	1
	2	Shift cycles excluding weekends	21.52		
	3	Regular work hours (8 to 5) excluding weekends	195.69		

Table 19

Relative importance of attributes by race (Blacks, n=86)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	1	Average market related base pay	-69.53	22.75%	3
	2	One and a half times (1.5) the average market related base pay	11.66		
	3	Twice (2 times) the average market related base pay	57.86		
Compensation (variable)	1	13 th Cheque	81.32	23.75%	2
	2	Short term variable performance related bonus	-29.62		
	3	Long term retention bonus	-51.70		
Opportunities for growth	1	On the job skills training	-32.60	10.34%	4
	2	Bursaries for further studies towards a qualification	7.32		
	3	Supervisory/Management/Leadership training	25.29		
Environment (physical)	1	Safe work environment	-27.39	5.93%	5
	2	Safe work environment with the best tools available to do the work	21.59		
	3	Safe technology advanced and ergonomic designed factory	5.81		
Environment (work/life balance)	1	Shift cycles including weekends	-110.17	37.23%	1
	2	Shift cycles excluding weekends	11.84		
	3	Regular work hours (8 to 5) excluding weekends	98.33		

Table 20

Relative importance of attributes by race (Whites, n=57)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	1	Average market related base pay	-75.87	23.81%	2
	2	One and a half times (1.5) the average market related base pay	25.70		
	3	Twice (2 times) the average market related base pay	50.16		
Compensation (variable)	1	13 th Cheque	63.63	21.54%	3
	2	Short term variable performance related bonus	-13.23		
	3	Long term retention bonus	-50.39		
Opportunities for growth	1	On the job skills training	-19.16	6.86%	5
	2	Bursaries for further studies towards a qualification	2.00		
	3	Supervisory/Management/Leadership training	17.15		
Environment (physical)	1	Safe work environment	-26.51	9.17%	4
	2	Safe work environment with the best tools available to do the work	4.48		
	3	Safe technology advanced and ergonomic designed factory	22.03		
Environment (work/life balance)	1	Shift cycles including weekends	-107.03	38.62%	1
	2	Shift cycles excluding weekends	9.67		
	3	Regular work hours (8 to 5) excluding weekends	97.35		

Table 21

Relative importance of attributes by age group 29 and less (n=24)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	1	Average market related base pay	-22.27	2	29.19%
	2	One and a half times (1.5) the average market related base pay	2.92		
	3	Twice (2 times) the average market related base pay	19.35		
Compensation (variable)	1	13 th Cheque	19.54	3	20.08%
	2	Short term variable performance related bonus	-10.46		
	3	Long term retention bonus	-9.09		
Opportunities for growth	1	On the job skills training	-6.10	5	4.57%
	2	Bursaries for further studies towards a qualification	5.68		
	3	Supervisory/Management/Leadership training	0.42		
Environment (physical)	1	Safe work environment	-4.94	4	5.41%
	2	Safe work environment with the best tools available to do the work	2.17		
	3	Safe technology advanced and ergonomic designed factory	2.77		
Environment (work/life balance)	1	Shift cycles including weekends	-30.44	1	40.74%
	2	Shift cycles excluding weekends	2.80		
	3	Regular work hours (8 to 5) excluding weekends	27.64		

Table 22

Relative importance of attributes by age group 30-39 (n=60)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	1	Average market related base pay	-57.82	22.81%	2
	2	One and a half times (1.5) the average market related base pay	12.44		
	3	Twice (2 times) the average market related base pay	45.38		
Compensation (variable)	1	13 th Cheque	53.66	20.35%	3
	2	Short term variable performance related bonus	-15.24		
	3	Long term retention bonus	-38.42		
Opportunities for growth	1	On the job skills training	-29.42	12.33%	4
	2	Bursaries for further studies towards a qualification	3.07		
	3	Supervisory/Management/Leadership training	26.35		
Environment (physical)	1	Safe work environment	-18.06	5.40%	5
	2	Safe work environment with the best tools available to do the work	11.69		
	3	Safe technology advanced and ergonomic designed factory	6.37		
Environment (work/life balance)	1	Shift cycles including weekends	-91.19	39.11%	1
	2	Shift cycles excluding weekends	5.44		
	3	Regular work hours (8 to 5) excluding weekends	85.75		

Table 23

Relative importance of attributes by age group 40-49 (n=36)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	1	Average market related base pay	-46.86	27.00%	2
	2	One and a half times (1.5) the average market related base pay	6.60		
	3	Twice (2 times) the average market related base pay	40.26		
Compensation (variable)	1	13 th Cheque	38.88	19.83%	3
	2	Short term variable performance related bonus	-13.77		
	3	Long term retention bonus	-25.11		
Opportunities for growth	1	On the job skills training	-13.47	7.94%	5
	2	Bursaries for further studies towards a qualification	1.35		
	3	Supervisory/Management/Leadership training	12.13		
Environment (physical)	1	Safe work environment	-23.15	12.39%	4
	2	Safe work environment with the best tools available to do the work	6.35		
	3	Safe technology advanced and ergonomic designed factory	16.80		
Environment (work/life balance)	1	Shift cycles including weekends	-57.97	32.85%	1
	2	Shift cycles excluding weekends	9.96		
	3	Regular work hours (8 to 5) excluding weekends	48.01		

Table 24

Relative importance of attributes by age group 50+ (n=23)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	1	Average market related base pay	-18.45	12.52%	3
	2	One and a half times (1.5) the average market related base pay	15.41		
	3	Twice (2 times) the average market related base pay	3.04		
Compensation (variable)	1	13 th Cheque	32.86	36.32%	2
	2	Short term variable performance related bonus	-3.39		
	3	Long term retention bonus	-29.47		
Opportunities for growth	1	On the job skills training	-2.77	3.68%	5
	2	Bursaries for further studies towards a qualification	-0.78		
	3	Supervisory/Management/Leadership training	3.55		
Environment (physical)	1	Safe work environment	-7.74	5.61%	4
	2	Safe work environment with the best tools available to do the work	5.85		
	3	Safe technology advanced and ergonomic designed factory	1.89		
Environment (work/life balance)	1	Shift cycles including weekends	-37.60	41.88%	1
	2	Shift cycles excluding weekends	3.31		
	3	Regular work hours (8 to 5) excluding weekends	34.29		

Overall results indicate that three total rewards attributes were consistently deemed to be important in attraction and retention. These include: Environment (work-life balance); Compensation (level); and Compensation (variable). The Environment (work-life balance) were also considered 14.64% more important as opposed to Compensation (level) within the overall sample as well as in all the demographic groups, as the relative importance of Environment (work-life balance) was on average 37.90% while Compensation (level) was on average 23.26%.

Variations of the relative importance of attributes can be noted across demographic groups. The race groups indicated differences in the relative importance ascribed to attributes. The Environment (work-life balance) was noted as highest for both Blacks (37.23%) and Whites (38.62%) in terms of its relative importance in attraction and retention. Few differences were noted across utilities, Compensation (level) and Compensation (variable) with Blacks indicating relative importance to Compensation (variable) (23.75%) as opposed to Compensation (level) (22.75%). Whites indicating an relative importance to Compensation (level) (23.81%) as opposed to Compensation (variable) (21.54%). In addition few differences were noted across utilities, Opportunities for growth and Environment (physical) with Blacks indicating relative importance to Opportunities for growth (10.34%) as opposed to Environment (physical) (5.93%). Whites indicating an relative importance to Environment (physical) (9.17%) as opposed to Opportunities for growth (6.86%).

The age grouping cohorts indicated differences in the relative importance ascribed to attributes. The Environment (work-life balance) were noted as highest for age cohort 29 and less (40.74%); age cohort 30-30 (39.11%); age cohort 40-49 (32.85%); and age cohort 50+ (41.88%) in terms of its relative importance in retention. Few differences were noted across utilities, Compensation (level) and Compensation (variable) with age cohort 50+ indicating relative importance to Compensation (variable) (36.32%) as

opposed to Compensation (level) (12.52%). All other age cohorts indicated an relative importance to Compensation (level) as opposed to Compensation (variable). In addition few differences were noted across utilities, Opportunities for growth and Environment (physical) with the age cohort 30-39 indicating relative importance to Opportunities for growth (12.33%) as opposed to Environment (physical) (5.40%). All other age cohorts indicated a relative importance to Environment (physical) as opposed to Opportunities for growth.

The ideal composition of total rewards overall and per demographic group

To determine the total reward composition which is most preferred, the levels of attributes are evaluated for desirability by respondents (Smith & Albaum, 2005). Utilities were summed up across levels 1-3 for each attribute. The level with the highest utility per attribute was regarded as the most preferred option in terms of its ability to retain. Once the highest utility had been identified, the ideal composition emerged per grouping. Tables 25-31 provide details of the ideal total rewards composition overall and per demographic group based on the utilities reflected in Tables 18-24 above.

Table 25

Total reward composition: Overall

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	3	Twice (2 times) the average market related base pay	108.03	23.26%	2
Compensation (variable)	1	13 th Cheque	144.95	22.68%	3
Opportunities for growth	3	Supervisory/Management/Leadership training	42.44	8.65%	4
Environment (physical)	3	Safe technology advanced and ergonomic designed factory	27.84	7.50%	5
Environment (work/life balance)	3	Regular work hours (8 to 5) excluding weekends	195.69	37.90%	1

Table 26

Total reward composition by race (Blacks, n=86)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	3	Twice (2 times) the average market related base pay	57.86	22.75%	3
Compensation (variable)	1	13 th Cheque	81.32	23.75%	2
Opportunities for growth	3	Supervisory/Management/Leadership training	25.29	10.34%	4
Environment (physical)	2	Safe work environment with the best tools available to do the work	21.59	5.93%	5
Environment (work/life balance)	3	Regular work hours(8 to 5) excluding weekends	98.33	37.23%	1

Table 27

Total reward composition by race (Whites, n=57)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	3	Twice (2 times) the average market related base pay	50.16	23.81%	2
Compensation (variable)	1	13 th Cheque	63.63	21.54%	3
Opportunities for growth	3	Supervisory/Management/Leadership training	17.15	6.86%	5
Environment (physical)	3	Safe technology advanced and ergonomic designed factory	22.03	9.17%	4
Environment (work/life balance)	3	Regular work hours (8 to 5) excluding weekends	97.35	38.62%	1

Table 28

Total reward composition by age cohort 29 and less (n=24)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	3	Twice (2 times) the average market related base pay	19.35	2	29.19%
Compensation (variable)	1	13 th Cheque	19.54	3	20.08%
Opportunities for growth	2	Bursaries for further studies towards a qualification	5.68	5	4.57%
Environment (physical)	3	Safe technology advanced and ergonomic designed factory	2.77	4	5.41%
Environment (work/life balance)	3	Regular work hours (8 to 5) excluding weekends	27.64	1	40.74%

Table 29

Total reward composition by age cohort 30-39 (n=60)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	3	Twice (2 times) the average market related base pay	45.38	22.81%	2
Compensation (variable)	1	13 th Cheque	53.66	20.35%	3
Opportunities for growth	3	Supervisory/Management/Leadership training	26.35	12.33%	4
Environment (physical)	2	Safe work environment with the best tools available to do the work	11.69	5.40%	5
Environment (work/life balance)	3	Regular work hours (8 to 5) excluding weekends	85.75	39.11%	1

Table 30

Total reward composition by age cohort 40-49 (n=36)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	3	Twice (2 times) the average market related base pay	40.26	27.00%	2
Compensation (variable)	1	13 th Cheque	38.88	19.83%	3
Opportunities for growth	3	Supervisory/Management/Leadership training	12.13	7.94%	5
Environment (physical)	3	Safe technology advanced and ergonomic designed factory	16.80	12.39%	4
Environment (work/life balance)	3	Regular work hours (8 to 5) excluding weekends	48.01	32.85%	1

Table 31

Total reward composition by age cohort 50+ (n=23)

Attribute	Level	Level description	Utility	Relative importance	Ranking
Compensation (level)	2	One and a half times (1.5) the average market related base pay	15.41	12.52%	3
Compensation (variable)	1	13 th Cheque	32.86	36.32%	2
Opportunities for growth	3	Supervisory/Management/Leadership training	3.55	3.68%	5
Environment (physical)	2	Safe work environment with the best tools available to do the work	5.85	5.61%	4
Environment (work/life balance)	3	Regular work hours (8 to 5) excluding weekends	34.29	41.88%	1

The results indicate the following overall preference with respect to the ideal total rewards composition. Level 3 produced the highest utilities for the following attributes: Environment (work-life balance): Regular work hours (8 to 5) excluding weekends; Compensation (level): Twice (2 times) the average market related base pay; Opportunities for growth: Supervisory/Management/Leadership training; Environment (physical): Safe technology advanced and ergonomic designed factory. Level 1 produced the highest utilities for the following attribute: Compensation (variable): 13th Cheque. Variations of the ideal total rewards composition can be noted across demographic groups. The race groups indicated differences for Blacks in relation to Level 3. They preferred Level 2 for attribute Environment (physical): Safe work environment with the best tools available to do the work.

The age cohort groups indicated differences for some age cohort groupings in relation to Level 3. Age cohort 50+ preferred Level 2 for attribute Compensation (level): One and a half times (1.5) the average market related base pay. Age Cohort 29 and less preferred Level 2 for attribute Opportunities for growth: Bursaries for further studies towards a qualification. Age cohort 30-39 and age cohort 50+ both preferred Level 2 for attribute Environment (physical): Safe work environment with the best tools available to do the work.

Conclusion

The unique application of conjoint analysis allowed for the identification of both the combination and relative quantum of total rewards that attract and retain artisans from demographic groups, including race and various age cohorts. Rather than asking the survey respondents directly what attributes they found most important, conjoint analysis utilized the more realistic context of respondents evaluating potential profiles (Orme, 2009).

CHAPTER 5

DISCUSSION

Organisations are generally good in identifying their vision, mission and values and developing a business strategy but they often fall short in aligning their attraction and retention strategy to the business strategy (Dormehl, 2012). A critical component of organisational competitiveness is having the appropriate skills complement. South Africa is facing a critical shortage of artisans. The most recent and authoritative theorists and practitioners on the subject are in agreement that the current artisan reality does not meet the required short and medium term supply of artisans (van Rooyen et al., 2010). Organisations that employ artisans need to be aware of this reality and respond by planning and implementing creative interventions to attract and retain this scarce skill.

The current study aimed to develop an understanding of the total rewards composition that most likely will attract and retain artisans across different demographic groups including the race and various age cohorts. The research objectives were investigated by utilising a conjoint task which presented various reward elements to the artisans and allowed them to trade these off against each other to produce the ideal total rewards composition they deemed most attractive and most likely to attract and retain them.

The current research is important for a number of reasons. Bussin and Spavins (2009) highlights the point that remuneration should not be based on a one-size-fits-all strategy, as is most often the case and that there should be flexibility in the structuring of the pay of different employees. Organisations that employ artisans need to understand what the contributing factors are for attracting and retaining artisans. This information can then in turn be used to plan and implement remuneration interventions that attempts to deal with the critical shortage of artisans.

The overall ideal total rewards composition

In the current study the conjoint task produced an ideal composition of total rewards (graphically represented in Figure 9) of which three reward elements were consistently classified as highly valued and important in the retention of artisans. The results indicate that Environment (work-life balance) is perceived as most important for artisans (37.90%), followed by Compensation (level) and then Compensation (variable).

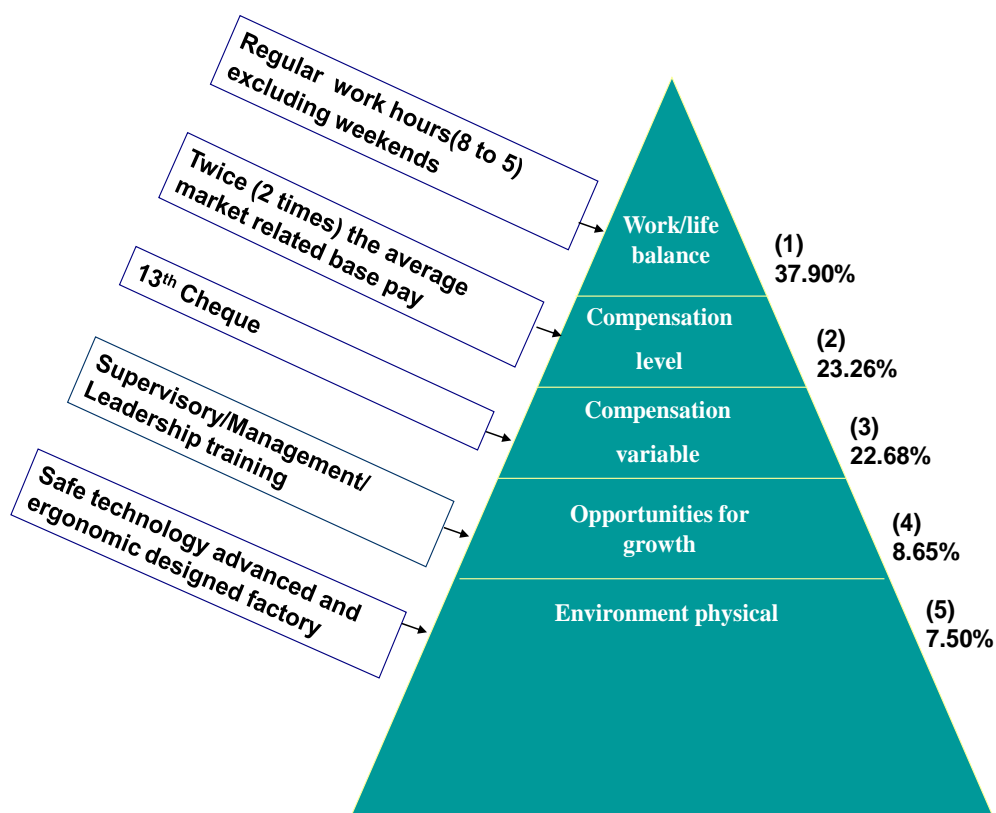


Figure 9. The overall ideal composition of total rewards

These findings are not consistent with the findings of Jordaan and Barry (2009) and Van Rooyen et al. (2010) who found that remuneration is to be considered as the most important factor for artisan retention. According to the Corporate Leadership Council (2012) there have been major shifts in the drivers of attrition and retention in South Africa during the last few years and that employees are citing compensation much less. According to Chew

(2005), traditional approaches that rely heavily on competitive remuneration often have limited success in employee retention in the medium to long term.

According to a 2002 online survey conducted by TrueCareers, 70 percent of respondents reported an unhealthy balance between their personal and work lives, while more than half indicated that they were searching for new jobs as a result of their difficulties. Similarly research from the Families and Work Institute reveals that the lack of organisational support around work-life may lead to higher levels of employee attrition (Corporate Leadership Council, 2003). Business recognised that employees live in a society and that balance between work and home life is important in order to obtain a more engaged workforce. A lack of interest or neglect by corporate management in this areas leads to high cases of burnout resulting from increasing stress, and a resultant drop in productivity (Bussin, 2011). Research recently coined burnout as the erosion of work engagement. The Gallup Employee Engagement Index offers insight into the degree to which engagement levels at work may affect employees' attitudes and behaviour away from the work environment (Bussin, 2011).

The Hay Group (2002) developed a retention model which looked not only at the transactional and relational elements of reward but focussed also on what employees defined as a compelling workplace. This retention model comprises six key elements which includes work-life balance. They defined the work-life balance cohort as comprising of the following elements, namely: (1) Supportive environment; (2) Recognition of lifecycle; (3) Needs and/or flexibility; (4) Security of income; and (5) Social environment. Work-life balance is complicated and various studies have shown that it has no one solution. The challenge of the coming decade is how best to meet this multiplicity of needs (Ruhm, 2011). The results of the current study could be ascribed to a number of factors. Role conflict within the home and workplace, especially for fathers, should not be underestimated as they are becoming increasingly aware of their equal role and/or their need to balance the

distribution of domestic tasks, including child care needs, with that of the workplace which could be linked to the recognition of lifecycle element. In addition Hershatter and Epstein (2010) emphasised the value that Generation Y place on work-life balance and confirms that it comes from a societal shift toward more focus on families which could be linked to the social environment element. Lastly the nature of the work environment, depending on the industry, prescribes various shift patterns, which impacts the needs and/or flexibility element.

Compensation (level) as presented in the conjoint task was considered to be the second most valued reward element in the total rewards composition. These findings partially support the literature, especially the findings of Jordaan and Barry (2009) who found that the salary levels for artisans across industries are perceived to be low and that salary levels are perceived to be an important employment factor which is important for the retention of artisans. Similarly Rampfumedzi (2009) found that the reasons why artisans would leave a company, most often included pay. Kaye and Jordan-Evans (2002) states that if employees see remuneration as being non-competitive, unfair or insufficient to sustain life, they will be largely dissatisfied. The results of the current study could be ascribed to a number of factors, the first being the current economic recession in South Africa which has been characterised by growing levels of unemployment and increasing numbers of retrenchments across various industries, leaving a workforce whose job stability is threatened. In this environment, it is likely artisans may value those rewards that are tangible and sustain basic and/or life needs. Secondly artisan skills are rapidly becoming so scarce that organisations will go to extraordinary lengths to attract and retain them. Anecdotal data suggests that artisans know that they are in demand and continuously shift to higher paying sectors in the economy.

Compensation (variable) as presented in the conjoint task was considered to be the third most valued reward element in the total rewards composition.

These findings partially support the literature, especially the findings of the Hay Groups 2010 report where variable pay programmes contributed significantly to employee commitment. Bussin (2011) also identified variable pay as a key component of a remuneration treatment for scarce skills that includes pay components such as a performance incentive scheme or a reward and recognition scheme. Despite various offerings defined within the Compensation (variable) pay) context of the conjoint task, the results of the study indicated that artisans prefer a 13th cheque above short term variable performance related or long term retention bonuses. The results of the current study could also be ascribed to the current economic recession in South Africa where it is likely that artisans may value those rewards that are tangible and sustain basic and/or life needs.

Opportunities for growth as presented in the conjoint task were considered to be the next most valued reward element in the total rewards composition. These findings partially support the literature, especially the findings of the Corporate Leadership Council (2012) who ranked Future Career Opportunity as the number four EVP driver of attraction in their South African Workforce Insight 2012 Report. This is contrary to much of the literature for example the 2003 Towers Perrin Report, which indicated that career advancement opportunities were amongst the top two reward elements that retained employees. Similarly the Hay Group (2002) indicated that future growth opportunities were amongst the top two reward elements.

Lastly the Environment (physical) as presented in the conjoint task ascribed the least importance in the overall total rewards composition. These findings partially support the literature of Van Rooyen, et al. (2010) who in their study on artisan retention also found the work environment to be the fifth ranked reward element. McCarter and Schreyer (2000) state that employees want to work in clean, comfortable surroundings and that they are much happier and more satisfied if their surroundings are neat, orderly and clean. Kaye and Jordan-Evans (2002) found that a better working environment was important

and that it is a factor worthy of investigation by organisations. It should not be excluded, as is most often the case.

Rewards that retain employment equity candidates

Legislated matters relating to the framework of attraction and retention of artisans are categorised by three sets of legislation, namely the Constitution of the Republic of South Africa (Act 108 of 1996), the Skills Development Act (60 of 1998) and the Employment Equity Act (55 of 1998) (Mauer, 2000). The drive to address employment equity and thereby redress past imbalances has increased the need to retain artisans from designated groups (Bussin, 2011). In the current study the conjoint task produced an ideal composition of total rewards (graphically represented in Figure 10) for Blacks.

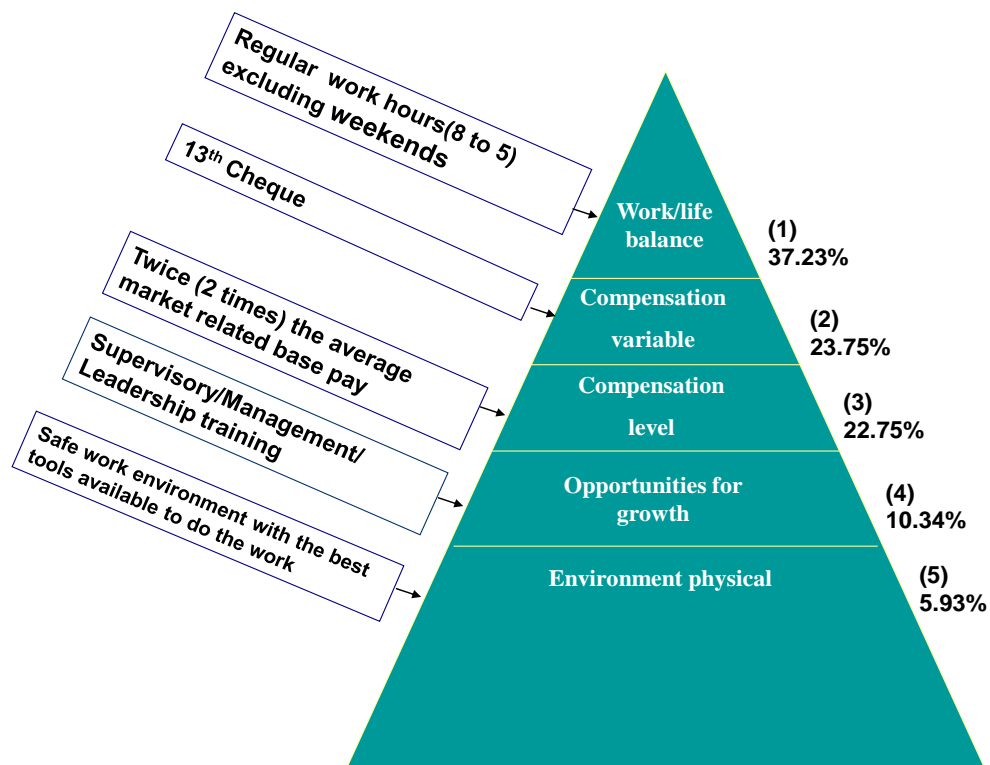


Figure 10. The ideal composition of total rewards for Blacks

Variations of the relative importance of attributes can be noted across demographic groups. The race groups indicated differences in the relative importance ascribed to attributes. The Environment (work/life) is noted as highest for Blacks (37.23%) in terms of its relative importance in retention. Few differences were noted across utilities, Compensation (level) and Compensation (variable) with Blacks indicating relative importance to Compensation (variable) (23.75%) as opposed to Compensation (level) (22.75%) These findings partially support the study of reward elements drawn from the WorldatWork (2007) model indicated that Black employees deemed performance and recognition (Compensation variable) to be more important in their retention than White employees. Refer to Tables 32-33 for a comparison between the two race groups.

Table 32

Ranked attributes per race group

Ranking	Blacks	Whites
1	Environment (work/life balance)	Environment (work/life balance)
2	Compensation (variable)	Compensation (level)
3	Compensation (level)	Compensation (variable)
4	Opportunities for growth	Environment (physical)
5	Environment (physical)	Opportunities for growth

Table 33

Ranked attribute levels per race group

Ranking	Blacks	Whites
1	Regular work hours (8 to 5) excluding weekends	Regular work hours (8 to 5) excluding weekends
2	13th Cheque	Twice (2 times) the average market related base pay
3	Twice (2 times) the average market related base pay	13th Cheque
4	Supervisory/Management/Leadership training	Safe technology advanced and ergonomic designed factory
5	Safe work environment with the best tools available to do the work	Supervisory/Management/Leadership training

Variations of the relative importance of attributes levels can be noted across demographic groups. Blacks preferred Level 2 for attribute Environment (physical): Safe work environment with the best tools available to do the work as opposed to Level 3: Safe technology advanced and ergonomic designed factory. Previous studies of total rewards that attract and retain Black artisans in relation to work environment factors in South Africa could not be found.

Rewards that retain employees of different age groups

Four age cohorts were used to classify employees across different age groups. These included: age cohort 29 and less; age cohort 30-39; age cohort 40-49; and lastly age cohort 50+. The literature provided a reasonably consistent view of the rewards that attract and retain these groups as defined by Levinson.

Age cohort 29 and less

Levinson (1986) defined early adulthood and argued that this life stage normally begins at age 17 with a transition into early adulthood and then enter a stable period up to the age of 29. In the current study the conjoint task produced an ideal composition of total rewards (graphically represented in Figure 11) for this age cohort.

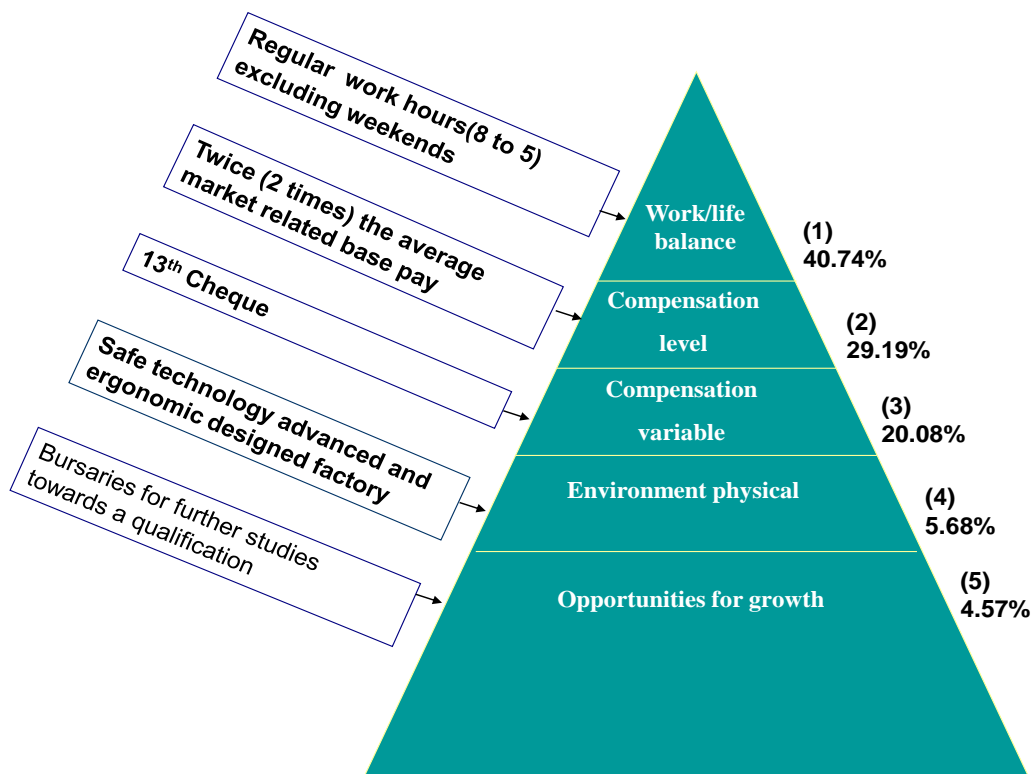


Figure 11. The ideal composition of total rewards for age cohort 29 and less

The emphasis on work-life balance, as opposed to career advancement, may be a result of the change in psychological contract that occurred post the 1980's trends of recessions, downsizing and reorganisations. The current contingents of Generation Y employees are likely to have witnessed their parents being loyal to an organisation and placing their career first to the detriment of other aspects of their life. Generation Y employees may therefore wish to adopt a different work ethic to that of their parents (Pregnola, 2010). In addition Hershatter and Epstein (2010) emphasised the value that Generation Y place on work-life balance and confirms that it comes from a societal shift toward more focus on families which could be linked to the social environment.

Variations of the relative importance of attributes levels can be noted across demographic groups. Age cohort 29 and less preferred Level 2 for attribute Opportunities for growth: Bursaries for further studies towards a qualification as opposed to Level 3: Supervisory/Management/Leadership training. The current literature corroborates Levinson's theory in that the young artisan is (1) exploring adulthood by trying out different roles which require certain qualification specifications and in doing so keeping his/her options open and (2) to settle down and create a stable life structure.

Age cohort 30 to 39

Levinson (1986) defined this cohort as the age 30 transition, entering into a stable period up to the age of 39. In the current study the conjoint task produced an ideal composition of total rewards (graphically represented in Figure 12) for this age cohort.

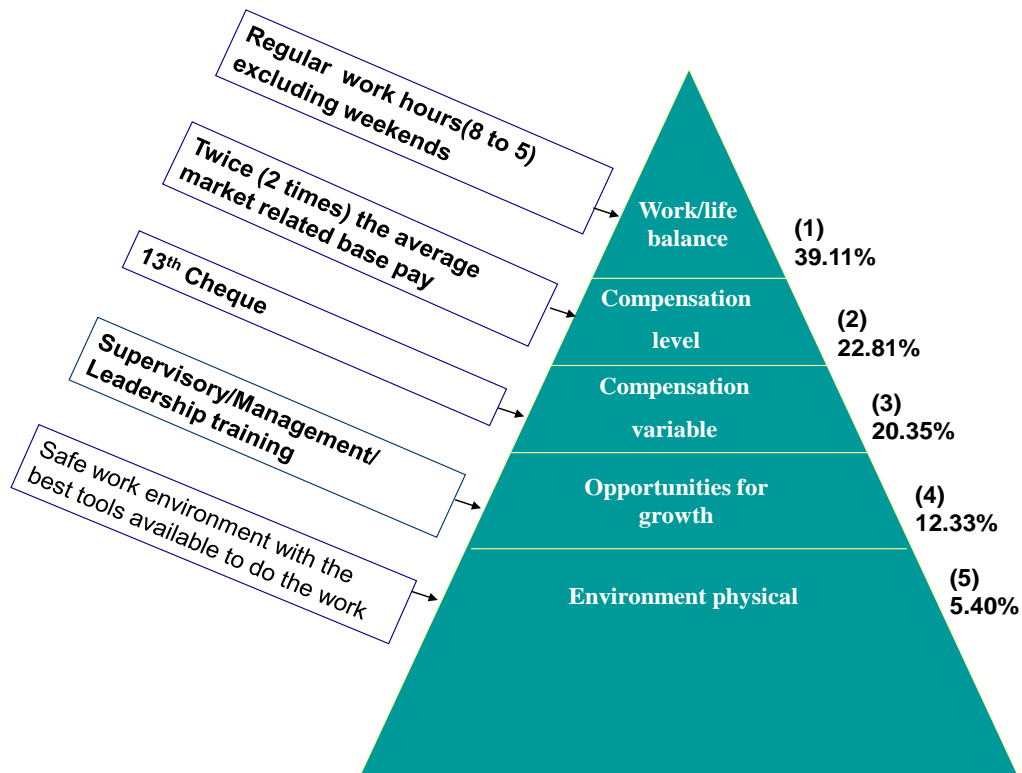


Figure 12. The ideal composition of total rewards for age cohort 30 to 39

The current literature corroborates Levinson's theory in that the artisan during this period of his/her life development is in the process of establishing a niche in adult society in the areas of life, namely (1) family; (2) work; and (3) leisure. In addition the person is to advance along some timetable in an effort to build a better life and to climb the career ladder. Opportunities for growth as presented in the conjoint task was considered to be the 4th most valued reward element in the total rewards composition. However the percentage allocated to this attribute (12.33%) is the highest out of all the age cohorts and partially supports the literature on career advancement. In addition Bussin and Spavins (2009) investigated employees of different age groups and established that this age grouping cohort valued base pay or compensation level to be the second most important element in a total reward composition which supports the current literature.

Age cohort 40- 49

Levinson (1986) defined this cohort as the age 40 transition into middle adulthood and entering into a stable period up to the age of 49. In the current study the conjoint task produced an ideal composition of total rewards (graphically represented in Figure 13) for this age cohort.

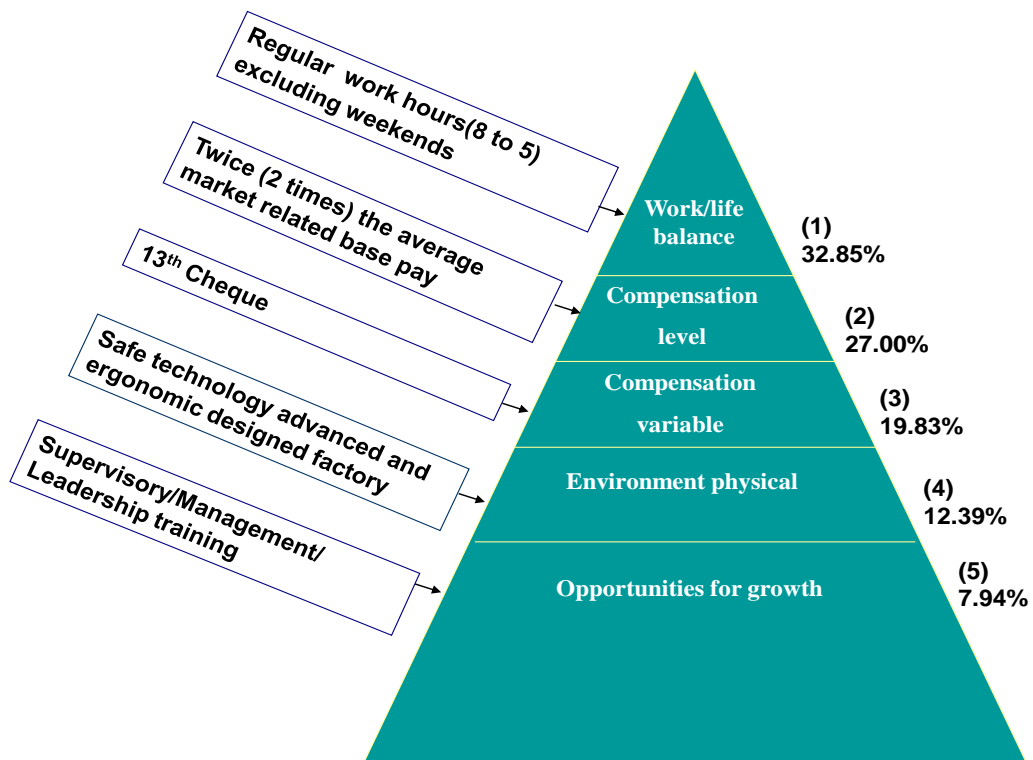


Figure 13. The ideal composition of total rewards for age cohort 40-49

The choices made in the thirties by necessity emphasized certain aspects of the self (for example, success, achievement, power, competition) over others (for example, friendship, nurturance, spiritual development). During the midlife transition these neglected parts of the self urgently seek expression and stimulate a person the re-appraise his/her life and could explain why the results indicate that Environment (work-life balance) is perceived as most important for artisans. The findings of the current study support previous research which indicated that Generation X employees value Work-Life Balance as a retention tool (Gursoy, Maier, & Chi, 2008). The current study

also corroborates the findings of the 2003 Towers Perrin survey where base salary and variable pay were identified as factors that retained Generation Y employees (Bussin, 2002).

Few differences were noted across utilities, Opportunities for growth and Environment (physical) with this age cohort indicating relative importance to Environment (physical) (12.39%) as opposed to Opportunities for growth (7.94%).

Age cohort 50+

Levinson (1986) defined this cohort as the age 50 transition and entering into a stabilised period up to the age of 60. In the current study the conjoint task produced an ideal composition of total rewards (graphically represented in Figure 14) for this age cohort.

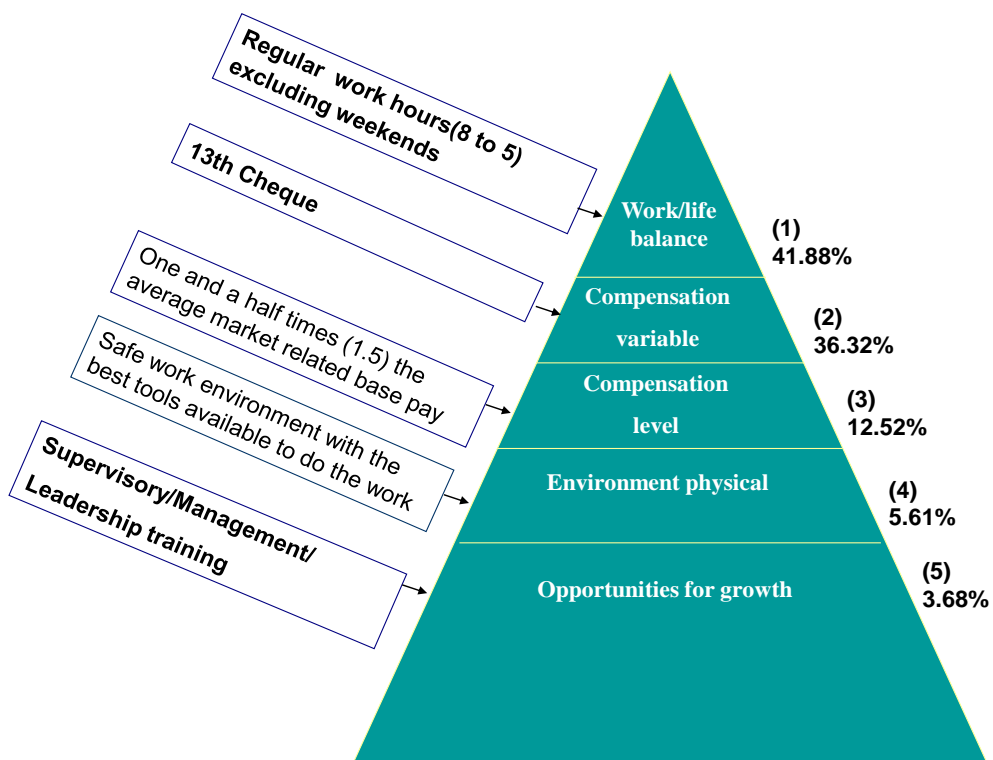


Figure 14. The ideal composition of total rewards for age cohort 50+

The results indicate that artisans within this age cohort place different importance on the various rewards, relative to those in other career stages. With age, factors such as health, outside interests, and family and other responsibilities may have a greater and more diverse effect on individual motivation than in earlier years. Greller and Simpson (1999) and Near (1984) have examined the extent to which older individuals may develop a greater orientation towards improved work-life balance, the role played in this by spouses - particularly in relation to establishing a retirement date, and the role of external responsibilities and obligations such as providing financial support and care for older dependants or grandchildren.

Compensation (variable) as presented in the conjoint task was considered to be the second most valued reward element in the total rewards composition for this age cohort. These findings are not consistent with the findings of Bussin and Spavins (2009) who found that compensation (variable) is to be considered less important for this age cohort as opposed to Compensation (level).

Consistent with the current research, a study by Warr and Fay (2001) found that older employees exhibited less education initiative than younger ones, but concluded that in respect of general job-related initiative, "*older employees are in general no less self-starting than younger ones*". While it has traditionally been held that older managers must keep developing in order to remain promotable this may not act as a motivator for individuals if they perceive themselves as already plateaued or destined soon to become so.

Summary of findings

A summary of the outcomes of the conjoint task are provided in Tables 34-35 for ease of reference. Table 34 illustrates the ranked attributes for each demographic group in order of importance while Table 35 provides details of

the levels of the attributes which were deemed to be the most preferred option across demographic groups (race and various age cohorts).

This overview graphically highlights the importance placed on Environment (work-life balance) by artisans from the various demographic groups as well as the levels that were considered most desirable in their retention.

University of Cape Town

Table 34

Summary of the Conjoint Task: Ranked attributes per Demographic Group

Ranking	Overall	Blacks	Whites	Age cohort 29 and less	Age cohort 30-39	Age cohort 40-49	Age cohort 50+
1	Environment (work/life balance)	Environment (work/life balance)	Environment (work/life balance)	Environment (work/life balance)	Environment (work/life balance)	Environment (work/life balance)	Environment (work/life balance)
2	Compensation (level)	Compensation (variable)	Compensation (level)	Compensation (level)	Compensation (level)	Compensation (level)	Compensation (variable)
3	Compensation (variable)	Compensation (level)	Compensation (variable)	Compensation (variable)	Compensation (variable)	Compensation (variable)	Compensation (level)
4	Opportunities for growth	Opportunities for growth	Environment (physical)	Environment (physical)	Opportunities for growth	Environment (physical)	Environment (physical)
5	Environment (physical)	Environment (physical)	Opportunities for growth	Opportunities for growth	Environment (physical)	Opportunities for growth	Opportunities for growth

Table 35

Summary of the Conjoint Task: Selected levels of reward attributes per Demographic Group

Ranking	Overall	Blacks	Whites	Age cohort	Age cohort	Age cohort	Age cohort
				29 and less	30-39	40-49	50+
1	Regular work hours (8 to 5) excluding weekends	Regular work hours (8 to 5) excluding weekends	Regular work hours (8 to 5) excluding weekends	Regular work hours (8 to 5) excluding weekends	Regular work hours (8 to 5) excluding weekends	Regular work hours (8 to 5) excluding weekends	Regular work hours (8 to 5) excluding weekends
2	Twice (2 times) the average market related base pay	13th Cheque	Twice (2 times) the average market related base pay	Twice (2 times) the average market related base pay	Twice (2 times) the average market related base pay	Twice (2 times) the average market related base pay	13th Cheque
3	13th Cheque	Twice (2 times) the average market related base pay	13th Cheque	13th Cheque	13th Cheque	13th Cheque	One and a half times (1.5) the average market related base pay
4	Supervisory/Management/Leadership training	Supervisory/Management/Leadership training	Safe technology advanced and ergonomic designed factory	Safe technology advanced and ergonomic designed factory	Supervisory/Management/Leadership training	Safe technology advanced and ergonomic designed factory	Safe work environment with the best tools available to do the work
5	Safe technology advanced and ergonomic designed factory	Safe work environment with the best tools available to do the work	Supervisory/Management/Leadership training	Bursaries for further studies towards a qualification	Safe work environment with the best tools available to do the work	Supervisory/Management/Leadership training	Supervisory/Management/Leadership training

The low ranking of opportunities for growth is interesting given previous research which indicated that career advancement opportunities were rated amongst the top two reward elements that retained employees. In a Hay study conducted across 300 companies with over half a million employees surveyed, the most important reward that retained employees was the opportunity to learn new skills (Prewitt, 1999). One explanation as to why artisans did not consider the opportunities for growth attribute to be that important could be that while the social demand for education and training has continued to increase, the indigenous apprenticeship system has offered alternative avenues of mobility for example as subcontractors (specialist or labour only contractors) Overall the balance between the pursuit of work-life balance and growth goals appear to be influenced by the scarcity of artisan skills and this supply and demand paradox is forcing employers to consider artisans with no qualifications and/or minimum qualifications at above average market related packages.

Limitations and Recommendations of the research study

In terms of future research, it is recommended that artisans from various organisations and in different industries be studied in order to obtain a more representative sample. Future research should focus on the various cohorts as defined by the Hay model within the attribute Environment (work-life balance) to better understand how these cohorts will impact on the total rewards composition.

Theoretical contribution

By utilizing the conjoint analysis method, a theoretical contribution to the body of social science research has been made, as no prior studies have succeeded in identifying both a combination of total rewards as well as the amount of each total reward element that attract and retain artisans, including demographic groups race and various age cohorts within the South African context. Knowledge of the relative quantum of total rewards that

attract and retain artisans is a particularly important contribution to the body of employee retention literature.

Practical contribution

The findings of the current research also make a practical contribution, especially for organisations concerned with the attraction and retention of artisans. The current study provide such organisations with an indication of the combination and relative quantum of total rewards which organisations could consider offering artisans from demographic groups (race and various age cohorts) that more likely will attract and retain them. These findings also provide guidance to companies with respect to those factors that should be incorporated into differentiated retention strategies catering for the needs of the demographic groups (race and various age cohorts).

Conclusion

Managers need to understand and incorporate individual need differences in the workplace as these differences collide at the core elements of managing, recruiting and retaining the best employees, setting performance standards and expectations, motivating employees and reward systems. It is no longer sufficient to approach the retention of artisans using one standardised retention strategy. Engaging with artisans, employers may find that these employees do not truly desire certain costly financial benefits and may rather have a greater need for non-financial benefits that may be less expensive (Grobler et al., 2002).

The aim of the current study was to develop an understanding of the total rewards composition that attract and retain artisans across different demographic groups including race, and age cohorts within a South African context.

The results of the study indicated that Environment (work-life balance) is perceived as most important for artisans (37.90%), followed by Compensation (level) and then Compensation (variable).

This research study is adding to the body of knowledge by further facilitating differentiated retention strategies, which provide an indication as to the amount and the type of reward elements that are perceived to be most valued by artisans within a total rewards composition. Knowing this will allow organisations to develop reward models that better attract and retain artisans within a South African context.

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Appendix A

Appendix A: Total Rewards- Focus group discussion



I am currently engaged in Masters Research at the University of Cape Town under the supervision of Associate Professor Anton Schlechter. The focus of this discussion group would be to determine the ideal reward composition that will attract and/or retain artisans within the organisation based on your expert opinion and experience. Total rewards for the purpose of this study includes traditional financial elements like compensation and benefits as well as non financial elements such as career opportunities; learning and development; physical work environment; and the quality of working life. We hereby invite you to participate in the focus group discussion and we thank you in advance for making the time available to participate in the discussion.

The Hay group developed a retention model. Based on this model you are requested to identify financial and non financial attributes that will attract and/or retain artisans. Furthermore you are required to present a scenario which aims to define different degrees or levels of total reward offerings for each of these attributes based on a low; medium; high offering.

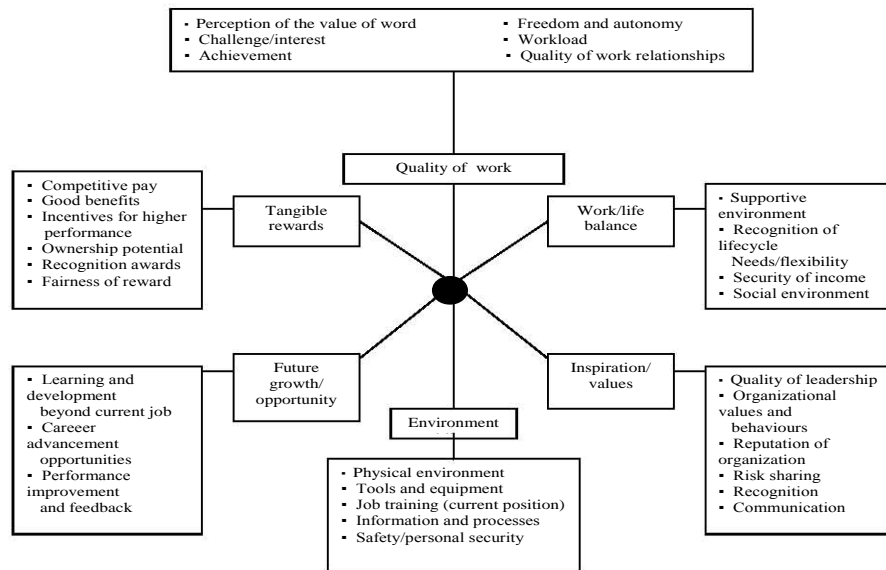


Figure 2. The Hay Model by The Hay Group (2002)

Results: Example. Results from the focus group discussion would be used to identify attributes with 3 attribute levels describing each of these attributes.

Attributes	Attribute level Low	Attribute level Medium	Attribute level High
1 Compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Opportunities for growth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Environment (physical)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Environment (work/life balance)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Should you require additional information, or if there is anything not clear in the questionnaire please do not hesitate to contact me at: Contact number: 082 940-7217; Email address: cfaught@pioneerfoods.co.za

Kind regards
Charl Faught

Appendix B

Questionnaire Total Rewards

Kindly complete all the questions below by checking one response per item:
The following response scale should be used for all items.

1. Not at all important	2. Not Important	3. Uncertain	4. Important	5. Very Important
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How important do you consider each of the following factors to be in deciding whether to stay with your current employer?

1. Recognition provided to you by your employer e.g. Financial recognition such as a cash , paid travel
2. The extent to which your employer respects differences in race, gender and age
3. The opportunities offered to you by your company for learning and career development outside of your current job e.g. sabbaticals, coaching, mentoring, leadership training
4. The opportunities offered to you by your company for career advancement e.g. job advancement/promotions, internships, and apprenticeships with experts, internal job posting
5. The quality of performance feedback and performance discussions you have had with your supervisor
6. The extent to which you believe your contribution and work is valued
7. The level of challenge and interest you derive from your job
8. The extent to which you are provided with challenging targets
9. Having a manageable workload and reasonable work pace
10. Having supportive and like –minded colleagues
11. The opportunities offered to you by your company for training within your current job e.g. skills training
12. The extent to which your employer supports a balanced lifestyle (between your work and personal life)

13. Your employer's provision of work/life programmes such as flexible working arrangements, flexible hours
14. Having social friendships at work
15. The degree to which your employer encourages and organises team building or other social networking activities amongst employees
16. Your employer's provision of employee health and wellness programmes e.g. Employee Assistance Programmes, counselling services, fitness centres
17. The provision of a competitive pay package (i.e. basic salary plus benefits, allowances or variable pay)
18. Your employer's provision of medical aid, retirement and pension benefits
19. Your employer's provision of incentive bonuses/variable pay
20. The provision of recognition via non-financial means e.g. certificates of recognition

Appendix C

Conjoint Task Questionnaire

Attributes/Factors	Level 1	Level 2	Level 3
Compensation (level)	Average market related base pay	One and a half times (1.5) the average market related base pay	Twice (2 times) the average market related base pay
Compensation (variable)	13 th Cheque	Short term variable performance related bonus	Long term retention bonus
Opportunities for growth	On the job skills training	Bursaries for further studies towards a qualification	Supervisory/Management/Leadership training
Environment (physical)	Safe work environment	Safe work environment with the best tools available to do the work	Safe technology advanced and ergonomic designed factory
Environment (work/life balance)	Shift cycles including weekends	Shift cycles excluding weekends	Regular work hours(8 to 5) excluding weekends