

RELATIONSHIP BETWEEN SKILLS DEVELOPMENT, EMPLOYEE MOTIVATION AND ORGANISATIONAL PERFORMANCE IN SOUTH AFRICAN ORGANISATION

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–Abstract–

The enormous skills shortage in South Africa has a negative impact on the country's competitiveness. Since the advent of democracy in 1994, various regimes have tried to deal with these inheritance of the oppressive state of affairs; namely, the serious shortage of skills affecting the larger section of the country's population. The aftermath of apartheid has an adverse negative effect on a healthy economic performance of the country.

The predominant aim of this research is to establish the differences between a motivated workforce and job satisfaction as well as to establish the conditions of employment levels of the different workforce groupings. The second objective of the study is to assess the relationship between the three variables stated namely, motivation and job satisfaction, organisational climate and the effectiveness of training; and the third objective was to establish whether the results of training can predict employee motivation, job satisfaction and perception of organisational conditions. The findings demonstration that meaningful differences exist between the levels of 1) motivation/job satisfaction and organisational climate of employees of skilled/semi-skilled groups and 2) qualification levels. The study also shows that a well-trained workforce tends to be at a higher motivational level and have an improved perception about their organisational climate than those who received less or no training at all. In conclusion, the two predominant variables of this research (namely, motivation/job satisfaction and organisational climate) are both influenced by skilled/semi-skilled groups as well as the amount of training received. The findings also reveal major direct relationships between

the constructs of motivation/job satisfaction, organisational climate and effectiveness of training.

Key Words: Skills development, corporate (organisational) performance, country competitiveness

Jel Classification:

1. INTRODUCTION

Employee training and development has become one of the key aspects in improving employee performance in organisations, thus leading to improved organisational performance and growth (Mpofu & Hlatywayo, 2015). The competitiveness of any organisation is, to a great extent, dependent on how well capacitated its workforce is. Employees are more satisfied, productive and committed when they perceive a fit between their job and career development needs and work environment conditions and practices which in turn also addresses the organisation's need to retain high performing employees in the competitive business environment (Capuzzi & Stauffer, 2006; Kim 2017; (Potgieter, Coetzee, Engelbercht 2019). To ensure the success of most organisations, it becomes imperative; to procure a work force that complements the organisations required skills that will ensure a successful attainment of the company's strategic goals (Robbins & Decenzo, 2018). To increase its productivity, an organisation will have to search for people with a high motivational level, but who can be further developed for an improved performance to mitigate the companies' skills shortage. It is hence the motivational aspect that has to receive significant attention. For this purpose, Van Rensburg (2004) acknowledged that for any modern organisations striving to become world-class and compete globally it requires capable and committed employees (EI Toukhy 1998; Ensor 1997; Hough & Neuland, 2013). A committed organisational workforce leads to a desirable organisational outcome (Luthans, Baack & Taylor, 1987). This commitment can arguably be derived from job satisfaction or motivation level and perception of the organisational climate of the organisation. How can an organisation achieve a high level of employee motivation as well as a favourable perception of the organisational climate that will ultimately ensure a high level of productivity?

The Department of Labour (RSA, 2009) reported that a study conducted in 1998 on the training of 15 Organisation for Economic Cooperation and Development (OECD) Member States found that the majority of enterprises believed or

acknowledged that staff training results in an improved employee Productivity, increased flexible workforce, savings on material and capital costs, a more motivated workforce and an enhanced quality of goods and or service

This article appropriately fills the gap as no comparable study has been undertaken in South Africa. Judging from South Africa's ratings in the World Competitiveness Report, the country is slow at embracing a real commitment to vocational education and training. Mbigi and Maree (1995) assert that that organisations in South Africa will need to change the way things are done in the country if they wish to survive to the changing local environment and given the reality of international competition (Madi, 1993; Lesse, 1994); Koopman, 1994; Khoza, 1994).

To effectively deal with the country's skills challenges, the South African state organs promulgated the Skills Development Act and the Skills Development Levy Act. It becomes thereby imperative to understand that the demand for skills far outweighs the supply, and too often the response of firms has been to poach scarce skills from others not to invest in the training of these skills. Consequently, due to the high demand for scarce high skills in the labour market the price increased relative to others, but the skills pool has not increased significantly. So the country has a problem that can easily get worse (RSA, 2009). The introduction of the Skills Development Act (SDA), (Act No. 97 of 1998) and the Skills Development Levies Act demonstrate the government's reaction to this calamity. These Acts main purpose is to encourage the private and public participation in developing the required skills for a constantly changing economy, while mitigating the impact of skills shortage. Unfortunately, many South African employers see the new Skills Development levy only as a cost, and not seeing its benefits. These Skills Development Acts launched by the Department of Labour encourage and promote employees' performance through training. This move is enormously significant for the performance of employees within any given organisation. Its long-term implications can have far-reaching consequences for both the organisation and the country, and it can never be overemphasised.

2. PROBLEM STATEMENT

According to Ndedi (2015), organisations that ensure a high level of competitiveness should ensure that the entire workforce is happy and feel valued as part of the organisation. What arguably appears to be a common mistake by most organisations in terms of skills transfer, focus seems to be mainly on middle

and senior managers, with very little emphasis on lower-level managers who are at the lower level of remuneration (Robbins, 1998). The focus brought through on capacity building can motivate employees, improve their perception regarding the organisational climate is ultimately the focus of this research study.

The focus of this paper is that, the significance of staff training needs to be viewed as the true investment in human capital which has the potential to guarantee future rewards and sustainable competitive advantage for competitive organisations.

3. RESEARCH HYPOTHESES

The primary hypothesis postulates that appropriate training will improve the effort and capacity of an individual to perform. If effort is to lead to worthy performance, the employee must have the necessary capability to perform. This choice is based on the supposition that seeks to analyse the trainees' view that doing well in a program would lead to better job performance and subsequently to an appreciated outcome (Farr & Middlebrooks, 1990).

Hypothesis 1:

H1: Scores on worker motivation/job satisfaction differ significantly across pre- and post-test groups.

H1o: There is no significant difference between scores on individual motivation/job satisfaction in pre- and post-test groups.

Hypothesis 2:

H2: Demographic variables significantly affect pre and post test scores on the employee motivation/job satisfaction measuring instrument.

H2o: Demographic variables do not significantly affect pre and post test scores on the employee motivation/job satisfaction measuring instrument.

Hypothesis 3:

H3: Scores on perceptions of organisational climate measuring instrument differ significantly in pre- and post- treatment groups.

H3o: There are no significant differences in scores of organisational climate measuring instrument across pre- and post- groups.

Hypothesis 4:

H4: Demographic variables significantly affect pre- and post-test scores on the organisational climate measuring instrument.

H4o: Demographic variables do not significantly affect pre- and post-test scores on the organisational climate measuring instrument.

Each hypothesis correlates to the aspects that relate to the topic, and the basis of crafting and conducting these hypotheses is premised on the fact that amongst the most common factors determining individual performance, more often than not work motivation and the perception of organisational climate features prominently. Therefore, improving the knowledge, skills, and attitudes of employees was insufficient to improve their on-the-job performance (Fuller & Farrington, 1999). Performance is a much more complex issue, and requires that the two independent variables being explicitly factored into the equation. To test these hypotheses, Pearson's product-moment correlation coefficient, "r" will be used. Such correlations would reveal both the magnitude and direction (positive or negative) of relationships between the variables of interest (Emory & Cooper, 1991).

4. THE RESEARCH METHODOLOGY

Methodology refers to a carefully considered way of approaching a problem so that one can understand it better (Sayer, 1992).

4.1. The research design

A survey design is utilized to fulfill the aim of the research. The chosen design is therefore in the form of quasi-experimental research similar to pre-test post-test one group design (Cooper & Schindler, 2000:405; Shaughnessy & Zechmeister, 1997). The data collected will be adopted to define the current population and is appropriate for studying various groups at different stages of development. The same research design can be adopted to assess different population groups to address these variables. According to Shaughnessy and Zechmeister (1997), this design is ideally suited to descriptive and predictive functions associated with correlational research.

4.2. Population and sampling size

The sample size to be used in this study consists of employees that emanate from five (5) selected organisations in South Africa. The sample consisted of lower-level employees from the following organisations: A manufacturing company A; a financial institution B; a service company C; a food serving company D; and a construction company E. All of these companies are located in the Mpumalanga Province and Gauteng. The targeted sample size is ($n = 400+$), spread among the five organisations.

4.3. Measuring instruments and data collection

Four questionnaires are used in the empirical study, namely, the Job Description Index (JDI); Litwin and Stringer's Organisational Climate Questionnaire (LSOCQ); Self rated performance (SELPERF); Effectiveness of Training Questionnaire (EFFTRA). A self-completion questionnaire was administered to these lower-level workers, namely semi-skilled and skilled employees of the five participating companies.

4.4. Data presentation and analysis

Presentation of the collected data is done using both inferential and descriptive statistics, with the help of the computer software package, Statistical Package for the Social Sciences (SPSS, 2003) program. Cronbach alpha coefficients (α) and inter-item correlations coefficients are used to determine the internal consistency (reliability) of the measuring instruments and descriptive statistics are used to analyse data. Pearson correlations are used to assess the extent to which one variable is related to another.

5. FINDINGS

This section discusses the results of this empirical research.

Hypothesis 1 concerns associations between pre and post test scores on the employee motivation/ job satisfaction measuring instrument.

H1: Scores on "employee motivation/job satisfaction" differ significantly across pre- and post-test groups.

H1o: There is no significant difference between scores on "employee motivation/job satisfaction" in pre- and post-test groups.

Analysis of hypothesis 1 it relates to the ‘Employee Motivation/job satisfaction’ construct only. Initially, differences in Employee Motivation/job satisfaction across pre- and post-groups overall, is studied (namely Hypothesis 1). The results of the investigation follow below:

Descriptive Statistics (Means and Standard Deviations) for the metric “Employee Motivation/job satisfaction” by Pre- and Post-Groups

Independent T-Test for the metric “Employee Motivation/job satisfaction” for Pre- and Post-Groups

As can be seen from the findings, the p value of 0.477 is not less than 0.05; therefore, with reference to Hypothesis 1, there is not sufficient evidence at a 5% level of significance to suggest that the population mean ‘employee motivation/job satisfaction scores’ are significantly different across both the pre- and post-groups.

Hypothesis 2 incorporates ten sub-hypotheses concerning associations between demographic variables and pre and post test scores on the “employee motivation/job satisfaction” measuring instruments.

H2: Demographic variables significantly affect pre and post test scores on the “employee motivation/job satisfaction” measuring instrument.

H2o: Demographic variables do not significantly affect pre and post test scores on the “employee motivation/job satisfaction” measuring instrument.

Secondly, Hypothesis 2 with its ten sub-hypotheses is investigated by looking at each demographic individually and its effect on motivation and job satisfaction across pre and post groups. The study now investigates differences in the employee motivation/job satisfaction scores across both the pre- and post-groups by each demographic variable, initially starting with the company. As the research show, the p values of company A, B, C and D are all less than 0.05. The former two companies reveal a significant increase in the construct, whereas the latter company reveals a significant decreases if one study.

There are differences in the motivation/job satisfaction scores across both the pre- and post-groups by the job categories of skilled and semi-skilled. From the above findings, no tests are significant as both p values are not less than the 5% significance level. However, it is interesting to see how skilled workers have

increased their levels, whereas the semi-skilled have decreased; although, in both cases not significantly.

There are differences in the motivation/job satisfaction scores across both the pre- and post-groups by gender. As can be seen from the research the p value of 0.001 for females is less than 0.05; therefore, there is sufficient evidence at a 5% level of significance to suggest that the population means for motivation/job satisfaction scores for the post group are significantly larger than the population means for the pre-group. The findings, however, in the male category reveal no significant changes.

There are differences in the motivation/job satisfaction scores across both the pre- and post-groups by race are noticed. It is evident from the findings on motivation/job satisfaction dimension that no tests are significant as all three p-values are not less than the 5% significance.

The study checks parametric findings by also running the corresponding nonparametric test, namely the Mann Whitney U-Test. The findings from the corresponding non parametric tests back up the findings of the parametric test counterparts. The findings on motivation/job satisfaction dimension show that no tests are significant as all three p values are not less than the 5% significance. It should however be mentioned that African and Coloured race categories are very close to being significant with p values for both equalling 0.055. In both categories, the sample means for “employee motivation/job satisfaction” show increases from the pre to post groups.

There are differences in the motivation/job satisfaction scores across both the pre- and post-groups by home language (Kolmogorov Smirnov Test). Due to small sample sizes in many categories the Kolmogorov Smirnov test statistic of normality is run for all metrics, initially to decide if either parametric or non-parametric tests are appropriate.

By inspecting the results, the p value from ‘Pre-South Sotho’ is 0.027 which is less than 0.05; therefore, this metric in particular reveals significant evidence (5% significance level) of non-normality. However, all other metrics do not reflect significant evidence of non-normality, but in terms of being thorough, both parametric and non-parametric tests are run in all cases. The parametric tests are run initially. It is evident that no tests are significant as all p values are not less than the 5% significance level. These results are substantiated, with one exception

being that South Sotho reveals a significant increase in motivation and job satisfaction.

There are differences in the motivation/job satisfaction scores across both the pre- and post-groups by marital status. Research results clearly show that no tests are significant as all p values are not less than the 5% significance level. The findings indicate that the p value of 0.002 for post Matric is less than 0.05. Therefore, there is sufficient evidence at a 5% level of significance to suggest that the population mean motivation/job satisfaction scores for the post group is significantly larger than the population mean for the pre- group for post Matric. The findings however, in the 'below grade 12' category reveal no significant changes.

There are differences in the motivation/job satisfaction scores across both the pre- and post-groups' work experience in the same job. The findings show that the p value of 0.028 for 6 – 10 years is less than 0.05; therefore, there is sufficient evidence at a 5% level of significance to suggest that the population mean motivation/job satisfaction scores for the post group are significantly larger than the population mean for the pre-group for the 6 – 10 year category. The findings however, in all other categories reveal no significant changes.

There are differences in the motivation/job satisfaction scores across both the pre- and post-groups by work experience in the same company. The result indicates that no tests are significant, as all p values are not less than the 5% significance level, although a few categories are on the borderline of being significant.

Hypothesis 3 concerns associations between pre- and post-test scores on the organisational climate measuring instrument.

H3: Scores on perceptions of organisational climate measuring instrument differ significantly in pre- and post- treatment groups.

H3o: There are no significant differences in scores of organisational climate measuring instrument across pre- and post- groups.

This section is investigating the categories of skilled and semi-skilled workers for differences in organisational climate. The research show that the p value of 0.323 is not less than 0.05, therefore regarding Hypothesis 3, there is not sufficient evidence at a 5% level of significance to suggest that the population mean organisational climate scores are significantly different across both the pre- and post-groups.

Hypothesis 4 incorporates ten sub-hypotheses concerning associations between demographic variables and group pre- and post-scores on the organisational climate measuring instrument.

H4: Demographic variables significantly affect pre- and post-test scores on the organisational climate measuring instrument.

H4o: Demographic variables do not significantly affect pre- and post-test scores on the organisational climate measuring instrument.

Hypothesis 4 is investigated by looking at each demographic individually and its effect on organisational climate across pre- and post-groups.

There are differences in the organisational climate scores across both the pre- and post-groups by each demographic, initially starting with company. The findings show that the p value of B is less than 0.05. Therefore, B reveals a significant increase from that and that significance for a two-tailed test implies significance for a one-tailed test. No other categories of company reveal any significant changes.

There are differences in the organisational climate scores across both the pre- and post-groups by the job categories of skilled and semi-skilled. Both categories are significant with p values in both cases less than 0.05. When studying, skilled workers have increased their organisational climate scores significantly, while semi-skilled workers have decreased their organisational climate scores significantly.

There are differences in the organisational climate scores across both the pre- and post-groups by gender. The results of the test show that for both categories namely, males and females show that there are no significant differences in mean scores, as the p values in both cases are not less than 0.05.

There are differences in the organisational climate scores across both the pre- and post-groups by race. The finding indicates that the white race reflects a significant increase in organisational climate scores with a p value of 0.001, which is less than 0.05 (an indication of a significance level). The coloured race is on the borderline of a significant increase, and no other categories reveal significant changes.

6. DISCUSSION SUMMARY

The results of this study indicate that the p value of 0.477 is not less than 0.05. Therefore, regarding Hypothesis one, there is not sufficient evidence at a 5% level of significance to suggest that the population mean ‘motivation/job satisfaction scores’ are significantly different across both the pre- and post-groups. This finding does not support Hypothesis one, which states as follows:

“There is a significant difference in the dependent variable, namely employee motivation/job satisfaction across pre- and post-groups”.

Similarly, the results of this study indicate that the p value of 0.323 is not less than 0.05. Therefore, regarding Hypothesis three, there is not sufficient evidence at a 5% level of significance to suggest that the population mean ‘organisational climate scores’ are significantly different across both the pre- and post-groups. This finding does not support Hypothesis three, which is as follows: “There is a significant difference in the dependent variable, namely perceptions of organizational climate across pre- and post-groups”. The findings of the study concerning Hypotheses 2 and 4 indicate that certain demographic variables impact differently on motivation/job satisfaction. The discussion of the results is listed below:

6.1. Summary of the main findings

The main results of the research for hypotheses 1 to 4 can be summarised as follows: When analysing the result of the study, concerning both employee motivation/job satisfaction, and organisational climate, it is evident that the most common feature of their findings relates to the response of the skilled workers, which is positive in both situations. Thus, the study revealed a clear relationship between the two variables and training, especially as it pertains to skilled employees. Toulson and Smith (1994) similarly support evidence to suggest that the organisational climate can influence both job performance and employee satisfaction (Lawler, Hall & Oldham, 1974; Papa, 2010) mention that the organisational climate is a product of several environmental and internal organisational factors that are subject to some degree of regulation or influence by management. One of the study’s most significant finding for both variables, is that, those employees who received more training are more motivated and have an increased perception about their organisational climate than those who received less or no training at all.

7. RECOMMENDATION FOR FUTURE RESEARCH

In conclusion, the categories of demographic variables that led to a significant increase in the dependent variable “employee motivation and job satisfaction” consist of skilled workers, females, respondents from the South Sotho language group, those who had post-Matric qualifications and respondents with 6 – 10 years’ experience in the same job.

In sum, it can safely be inferred that the categories of demographic variables that led to a significant increase in the dependent variable ‘organisational climate’ consisted of skilled workers, company’s B employees, white respondents, Afrikaans-speaking and post-Matric respondents and those with 6 – 10 years’ experience in the same job. Only semi-skilled respondents led to a significant decrease in organisational climate. From the study conducted by Wood and Sella (2000), putting semi-skilled employees especially through training might not be an easy job. Their findings revealed that a significant number of existing employees with only limited formal education and many years of service might feel threatened by the (training) process. It should be recognised that the former apartheid system resulted in grossly unequal access to education and training, perpetuating serious labour-market distortions (Horwitz & Franklin, 1996:12).

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