

**COMPETENCIES AS A PREDICTOR OF WORK
PERFORMANCE FOR BRANCH
MANAGERS IN A BANKING INSTITUTION**

by

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DECLARATION OF OWN WORK

I, Deepa Pema-Mistry (student number 3198-068-6), declare that “Competencies as a predictor of work performance for branch managers in a banking institution” is my own work, and that all the sources I have used or have quoted from have been indicated and acknowledged by means of complete references.

SIGNATURE

DATE

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TABLE OF CONTENTS

Declaration	i
Acknowledgements	ii
Table of contents	iii
List of tables	v
Summary	vi
CHAPTER 1: SCIENTIFIC ORIENTATION TO THE RESEARCH	1
1.1 Background to and rationale for the study	1
1.2 Problem statement	5
1.3 Aims	7
1.4 The paradigm perspective	8
1.4.1 Relevant paradigms	8
1.4.1.1 Ontology	9
1.4.1.2 Epistemology	9
1.4.2 Central hypothesis	10
1.5 Research design	10
1.5.1 Research approach	10
1.5.2 The variables	11
1.5.3 Unit of analysis	11
1.5.4 Methods to ensure reliability and validity	11
1.6 Research method	17
1.6.1 Phase 1: Conceptualisation and literature review	18
1.6.2 Phase 2: Empirical investigation	18
1.6.2.1 Step 1: Population and sample	18
1.6.2.2 Step 2: Measuring instruments	19
1.6.2.3 Step 3: Administering the research procedure	24
1.6.2.4 Step 4: Performing the statistical analysis	25
1.6.2.5 Step 5: Reporting and interpreting the results	26
1.6.2.6 Step 6: Conclusions, limitations and recommendations	26
1.7 Chapter layout	26
1.8 Chapter summary	27

CHAPTER 2: COMPETENCIES AND WORK PERFORMANCE AND THEIR INTEGRATION CONCEPTUALISED FROM THE LITERATURE	28
2.1 Competencies	28
2.1.1 General orientation to competencies	28
2.1.2 Approaches to competencies	29
2.1.3 Trait theories of personality	34
2.1.4 Competency assessment	36
2.1.5 Uses of competency data	38
2.1.6 Pitfalls of using competency data	40
2.2 Work performance	41
2.2.1 General orientation to work performance	42
2.2.2 Work performance dimensions	42
2.2.3 Performance measurement framework	44
2.2.3.1 Balanced scorecard (BSC) methodology	47
2.2.3.2 360 degree feedback	47
2.2.4 Implications of performance measurement	47
2.2.5 Pitfalls of performance measurement and its utilisation	48
2.3 Integration of competencies and work performance	51
2.4 Chapter summary	54
CHAPTER 3: RESEARCH ARTICLE	55
CHAPTER 4: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS	99
4.1 Conclusions	99
4.1.1 Literature review	99
4.1.2 Empirical study	103
4.2 Limitations	104
4.2.1 Literature review	104
4.2.2 Empirical study	104
4.3 Recommendations	105
4.4 Chapter summary	105
References	107

LIST OF TABLES

Table 1: Biographic variables of the sample	68
Table 2: Essential branch manager competencies: Universal Competency Framework (UCF20™)	70
Table 3: Performance management rating scale	73
Table 4: Descriptive statistics of the essential competencies (UCF20)	75
Table 5: Descriptive statistics of the performance rating criteria	76
Table 6: Intercorrelations between the performance rating criteria for half year 2009, full year 2009, half year 2010, full year 2010 and full year 2011	78
Table 7: Regression model summary with the average work performance (2009–2011) as the dependent variable and the essential competencies as the independent variable	78
Table 8: ANOVA summary between the essential competencies and the average work performance (2009–2011)	79
Table 9: Correlations between essential UCF20 competencies and the performance rating criteria for half year 2009, full year 2009, half year 2010, full year 2010 and full year 2011	80
Table 10: Standard regression analysis between the average work performance (2009–2011) as the dependent variable and the essential competencies as the independent variables	83

SUMMARY

An essential blend between competencies, personality and skill is sought after for successful branch managers in today's banking world in order to achieve a high level of quality, on-time delivery, as well as customer and employee satisfaction and loyalty. In this study the predictive relationship between competencies (as a portrayal of personality and abilities) and work performance was investigated among the branch managers.

The scores on the essential Universal Competency Framework competencies, the Person-Job Match and performance data for three years were used to conduct correlation and regression analyses. The study was conducted among 95 branch managers at a banking institution in South Africa.

A theoretical relationship was determined, and this was supported by the significant relationship that was evident between the identified essential competencies of the branch managers and their work performance. The regression model summary indicated significance when using all essential competencies combined against the overall criterion score.

Key words: Banking institution, branch managers, work performance, positive psychology, competencies, personality, ability.

CHAPTER 1: SCIENTIFIC ORIENTATION TO THE RESEARCH

This dissertation focused on competencies (as a portrayal of personality and abilities) as a predictor of the work performance of branch managers in a banking institution. Chapter 1 deals with the background to and rationale for the study, the problem statement, the aims, paradigm perspective, research design and method as well as the chapter layout.

1.1 BACKGROUND TO AND RATIONALE FOR THE STUDY

The world of business is changing rapidly – advances in technology, communications, electronics and the use of data have contributed to the globalisation of industries and the organisation of their clients. Survival in the new global business market calls for improved productivity and increased competition. Owing to the fact that market participants are becoming global competitors, companies in various industries have to upgrade their products and use technology skilfully in order to cope with increased competition (Conversi, 2009). Customer service, especially aspects of customer base growth and retention, is currently promoted as a key ingredient to differentiate between organisations and their increased competitiveness. Customer service is not limited to the way companies offer products and services, but focuses more specifically on how products are supported after being sold to customers (Conversi, 2009).

The above applies to the banking industry in particular because banks essentially offer similar products and services. Banks borrow money from and lend it to clients and provide almost all payment services for clients. It could be argued that the nature of the banking industry is service oriented and depends on human resources.

“One of the prominent trends in business organisations today is the attention given to individual personality traits to predict job performance” (Dosajh & Gandhi, 2008, p. 59). Incorrect matching or the wrong person-job match fit can lead to numerous problems, both personally for the incumbent and in the wider team context. At an individual level, this can result in low productivity, job dissatisfaction, a high rate of absenteeism, possible disciplinary cases and poor retention (or high turnover). At an

organisational level, careful consideration is given to team cohesiveness when assessing a potential recruit's personality traits and competence that will enhance the effectiveness of a team when working together. Failing to achieve this can lead to destructive behaviour patterns in the team, an increased number of grievances and disciplinary cases and a greater need for management intervention in resolving interpersonal team conflict, ultimately resulting in high absenteeism and turnover (Dosajh & Gandhi, 2008).

According to Amah (2009, p. 24), "turnover affects the cost of operations and drains the organisation of inherent tacit knowledge." Furthermore, "turnover cost is estimated at between 50 and 100 per cent of employee's annual cost, and this cost does not include that of the tacit knowledge taken out of the corporation by the leavers" (Amah, 2009, p. 24).

As a result of increased competition in banking, management awareness is acutely focused on achieving a high level of quality, on-time delivery, customer satisfaction and loyalty, employee satisfaction and loyalty in the changing business environment (Fakhri, Menacere, & Pegum, 2011). Profitable growth of a bank can be constrained by external factors such as the economic environment, target markets and industry structure as well as internal factors such as branch network, technology and managerial capability for innovation and differentiation, marketing and customer relationships (Roy, 2011).

The organisation in which this study was conducted is part of one of the four largest banking groups in South Africa. The particular banking group offers a wide range of wholesale and retail banking services through three main business clusters. The organisation focuses on Southern Africa and is positioned as a "bank for all" – both from a retail and wholesale banking perspective. The principal services offered by this banking group include business, corporate and retail banking, property finance, investment banking, private banking, foreign exchange and securities trading through a regional network located throughout South Africa, as well as facilities in other Southern African countries. In the bank branch environment, the reliance on the right branch manager is therefore heightened.

A special blend between personality and skill is sought after for a successful branch manager, a combination which is far more difficult to retain in the challenging branch environment. “The qualities that make a good branch manager include the following: the ability to make quick decisions on the spot; people management skills, scheduling skills; the ability to focus on service and on policies and procedures; recognising the needs of customers; and being open-minded. A good branch manager is intelligent, has proven smarts and common sense, and must like the job” (Wilson, 1999, p. 30).

Caroline Paxman, president for the Americas at SHL, a global leader in employment testing, had the following to say in this regard: “You’re likely to find plenty of new hires who earned their positions after undergoing a battery of assessments that probed not just their job skills but also their intelligence and their innermost psyches. In this kind of economy, the stakes, frankly, have gotten higher. With fewer openings and more applicants, there’s a strong desire on the part of the hiring organisation to really get it right” (Smith, 2011, p. 13).

Practically speaking, the primary objective of job selection is to predict the candidate’s job performance. Various selection instruments for selection are currently available, ranging from structured interviews and assessment centres to psychological tests. Psychological tests are a measure or procedure in which a sample of an examinee’s behaviour in a specific domain is obtained, evaluated and scored using a standardised process (Society for Industrial and Organisational Psychology of South Africa [SIOPSA], 2005). Psychological tests serve as a technique or measuring device to quantify behaviour or to understand the prediction thereof (Kaplan & Saccuzzo, 2001).

According to SIOPSA (2005), the essential principle in evaluating any selection procedure is the gathering of evidence to support an assumption of job relatedness. This is also a requirement of the Employment Equity Act (EEA) 55 of 1998. Job relatedness is demonstrated when evidence supports the accuracy of inferences made from scores on or evaluations derived from those procedures regarding an aspect of work behaviour. The tests used therefore need to be valid. Validity is defined as the degree to which accumulated evidence (research) and theory support

specific interpretations of scores from a selection procedure entailed by the proposed use of the selection procedure (SIOPSA, 2005). Despite this requirement, researchers often fail to pay attention to the predictive validity of the instruments they use. Although they are frequently used, limited published research appears to have been conducted to establish the validity of most personality instruments or measures that are used in South Africa.

The organisation, in which this study was undertaken, used the Occupational Personality Questionnaire 32r (OPQ32r), the Verbal Reasoning ability test (VC1.1) and the Diagrammatic Series ability test (DC3.1) to identify the essential competencies which are used as part of its selection process for branch managers. No research has yet been done in this organisation and specifically in its branch environment to establish whether there is a relationship between the dimensions measured by the OPQ32r, the VC1.1, the DC3.1 and the job performance of the branch managers.

The validation of the competencies of branch managers who are successful in the bank branch environment may assist the organisation to create an enhanced fit between branch managers and the requirements of their work. This, in turn, may improve organisational outcomes through improving the quality of its customer service to major clients and reducing the financial and human resource costs associated with poor service performance, poor attendance rates, high turnover rates and the cost of ineffective assessments. The use of a personality assessment instrument such as the OPQ32r which has been validated to predict job performance and the Person-Job Match (PJM) report extracted as the second-order output, may specifically provide a positive and measurable return on investment to the organisation.

Research has found a significant relationship between personality, competencies and job performance in various industries (see chapter 2). Although some research on this relationship has been conducted in the branch environment, no published research on this relationship could be found for branch managers in the banking industry in South Africa. According to Huysamen (2002), ongoing research on assessment tools in the South African context is necessary. The main objective of

this study was to determine whether there is a predictive relationship among branch managers between competencies and job performance. In pursuit of this objective, this study investigated the relationship between the essential competencies identified and job performance over five consecutive performance periods in order to pinpoint effective predictors of successful job performance for branch managers. The researcher felt that if a relationship between the competencies and job performance could be found, the results could be used for recruitment, selection and development purposes for branch managers.

1.2 PROBLEM STATEMENT

Customer centricity has been a key focus for this particular banking institution since 2010. However, such a concept may not be entirely new since it is commonplace for banks to constantly battle with customer complaints. The approach has since led to a massive drive to upskill the banking institution's front-line staff, particularly in the branches, according to the market segment that is serviced by the relevant branch.

One can appreciate that such a drive would be futile without equal emphasis on the critical role played by the branch manager in aligning this shift and making customers the central focus for the branch, thereby raising the bar for the customer experience. The branch manager's role is pivotal in ensuring that all staff in his/her branch are fully equipped to service the customers to the level required. It is easy to see why there is an increasing demand to ensure that the banking institution follows a rigorous recruitment process to ensure that branch managers are ideally placed to fulfil the promise to delight customers. It is therefore critical that the banking institution's screening tools serve as accurate predictors of future job success or exceptional work performance. The wrong fit as a branch manager would simply be too costly in terms of poor management style, dissatisfied staff, high turnover, poor customer service, loss of customers and word-of-mouth negativity from irate customers. At the stage of conducting this research study, the bank was in the process of justifying the reintroduction of psychometric assessments as a mandatory step in the recruitment process. Evidence in support of or against the hypothesis that competencies can be used as a predictor of work performance as part of a selection battery of assessments would validate the researcher's hypothesis, and furthermore

strengthen the case to rely on competency assessments to predict future job success when recruiting branch managers.

In the last 20 years, much research has focused on the exploration of personality-performance relationships (Barrick & Mount, 2005; Hough, 1992, 1996b; Hough & Furnham, 2003; Ones, Dilchert, Viswesvaran, & Judge, 2007). In particular, organisational psychology rediscovered the utility of personality measures in selection contexts. There were three main reasons for this. First, other than an interview, the selection method of choice for organisational psychology was a cognitive test (showing some adverse impact). Second, research has indicated general consensus on the taxonomy of personality variables, enabling psychologists to organise the literature on personality and job performance (Furnham & Heaven, 1999; Van der Linden, Te Nijenhuis, & Bakker, 2010). Exploration of personality performance relationships within rather than across personality constructs revealed statistically and practically significant relationships where they had not been revealed before (Awadh & Ismail, 2012). Third, meta-analytic reviews by Barrick and Mount (2005), Tett, Jackson, Rothstein and Reddon (1994), Rothstein and Goffin (2006) and many others provided further evidence that personality measures were more valid than generally believed. Subsequent meta-analyses revealed that if one reliably measures traits and specific behaviour at work that are theoretically related, the data suggest effective correlations. By adding measures of cognitive ability and specific demographic factors to the meta-analyses, the strength of the correlations is further increased.

Furthermore, it is now evident that personality variables correlate differently with many different job-performance constructs (Day & Silvermann, 1989; Hough, 1996b; Furnham, 2012). Another factor that has prompted the rebirth of personality variables in organisational psychology is the fact that more than half of the developed economies are considered service economies. This growth in both the service and sales sector has affected the way organisational psychologists define and measure job performance (Furnham, 2012). The organisation in which this study was conducted utilises a competency framework as a basis for their recruitment and selection and development practices. This has highlighted the need to investigate

the link between competencies (as a portrayal of personality traits) and work performance in this study.

Based on the problem described above, this research was aimed at investigating and reporting on the following questions:

- How are competencies and work performance conceptualised in the literature?
- What is the theoretical and empirical relationship between competencies and work performance?
- Can the competency, Deciding and initiating action, predict work performance?
- Can the competency, Leading and supervising, predict work performance?
- Can the competency, Planning and organising, predict work performance?
- Can the competency, Delivering results and meeting customer expectations, predict work performance?
- Can the competency, Coping with pressures and setbacks, predict work performance?
- Can the competency, Achieving personal work goals and objectives predict work performance?
- Can the competency, Entrepreneurial and commercial thinking, predict work performance?
- What are the weightings of the contributions of the following to work performance: Deciding and initiating action; Leading and supervising; Planning and organising; Delivering results and meeting customer expectations; Coping with pressures and setbacks; Achieving personal work goals and objectives; and Entrepreneurial and commercial thinking?

1.3 AIMS

The following general and specific aims were formulated:

The general aim of this research was to determine whether competencies can be used as a predictor of work performance for branch managers in a banking institution.

The specific aims relating to the literature were to

- (1) conceptualise competencies and the measurement thereof
- (2) conceptualise work performance and the measurement thereof
- (3) determine the theoretical relationship between the two constructs

The specific empirical aims were to

- (1) determine the intercorrelation between criterion data (ratings across different performance periods) spanning three years (2009–2011)
- (2) determine the coefficient analysis with the criterion average and the essential competencies to ascertain the weighted contributions of each essential competency to the criterion average
- (3) determine the correlation between essential competencies identified for a branch manager and work performance
- (4) determine if competencies predict work performance
- (5) make recommendations on the basis of the research findings and promote further research

1.4 THE PARADIGM PERSPECTIVE

The paradigm perspective refers to the intellectual climate or variety of metatheoretical, theoretical and methodological beliefs and assumptions underlying the theories and models that form the definitive context of a study (Mouton & Marais, 1990). What follows is a discussion of the relevant paradigms in the research as well as the metatheoretical statements, behavioural models and theories, applicable concepts and constructs, methodological convictions and the central hypothesis.

1.4.1 Relevant paradigms

The study was conducted in the discipline of industrial psychology, which applies psychological concepts and methods to optimise human potential in the workplace. Firstly, dimensional theories of personality were utilised as the theoretical paradigm for the first variable. According to Meyer, Moore, and Viljoen (1988), the dimensional

personality theories are based on the viewpoint that a person has various traits and behaviours that can be described in terms of dimensions of personality. Human resource specialists, however, talk about individual differences in terms of capability, competency, experience, know-how, potential and proficiency (Furnham, 2008).

Secondly, the philosophical paradigm of logical positivism was used as the paradigm for work performance (the second variable). Logical positivism is based on the viewpoint that there are only two sources of knowledge, that is, logical reasoning and empirical experience. Positive knowledge is arrived at by means of scientific exploration and the objective collection of facts summarised by means of a process of induction ([http://www.sar.bolton.ac.uk/ltl/lecture2/logical positivism.htm](http://www.sar.bolton.ac.uk/ltl/lecture2/logical%20positivism.htm)). Empirical methods that allow for measurement and comparison of constructs were used. The methodology included the nomothetic method and induction. Meyer et al. (1988) refer to the nomothetic method as the description of psychological processes by making inferences about general principles that apply to all people, without considering individual differences. The inductive method is one in which generalisations are made from specific deductions to general principles (Meyer et al., 1988).

The ontology and epistemology of the positivist paradigm are discussed below.

1.4.1.1 Ontology

Ontology specifies the nature of reality that is to be studied and what can be known about it (Terre Blanche, Durrheim, & Painter, 2007). Since this study falls within the positivist paradigm, the nature of reality is

- stable and external
- law-like

1.4.1.2 Epistemology

Epistemology specifies the nature of the relationship between the researcher (knower) and what can be known (Terre Blanche et al., 2007). The epistemology of this research can be described as

- objective
- a detached observer

1.4.2 Central hypothesis

The central hypothesis of the researcher was formulated as follows:

There are statistically significant relationships between the identified essential competencies for branch managers and their work performance.

1.5 RESEARCH DESIGN

The research approach, method, participants, measuring instruments, procedure and statistical analysis are briefly explained below.

1.5.1 Research approach

The researcher conducted a descriptive study (Babbie & Mouton, 2009) in order to accurately describe the relationships between competencies and work performance. The study was nonexperimental research (Babbie & Mouton, 2009). Quantitative research entails the collection of some type of numerical data to answer a given research question (Babbie & Mouton, 2009). These designs are also sometimes known as correlational, passive, noninteractive, naturalistic and observational research designs. In nonexperimental studies, independent variables are often called predictor variables, while dependent variables are often referred to as criterion variables (Christensen, 1994). As mentioned in section 1.4, personality is normally measured by means of a self-report questionnaire, making the quantitative approach suitable for this study. Statistical analysis is then used to interpret the data

(Christensen, 1994).

The hypothesis formulated in the research consists either of a suggested explanation of a phenomenon (an event that is observable) or of a reasoned proposal suggesting a possible correlation between multiple phenomena (Christensen, 1994).

1.5.2 The variables

The independent variable refers to the antecedent phenomenon, while the dependent variable relates to the consequent phenomenon (Christensen, 1994). The research entailed a quantitative empirical study in which the relationship between the independent variable (competency scores) and the dependent variable (work performance) was investigated.

1.5.3 Unit of analysis

Units of analysis are the people or things and the characteristics that social researchers observe, describe and explain. Typically, the unit of analysis in social research is the individual person, but it may also be a group, social artefact, social action or event or intervention (Babbie & Mouton, 2009). This study focused on the individual as the unit of analysis. The organisation consisted of branch managers who individually formed the units of analysis. Competencies and work performance were examined on an individual basis to determine their relationship.

1.5.4 Methods to ensure reliability and validity

Reliability is the quality of a measurement method that suggests that the same data will be collected each time in repeated observations of the same phenomenon (Babbie & Mouton, 2009).

Validity is a term that describes a measure that accurately reflects the concept it is intended to measure. Although the ultimate validity of a measure can never be proven, we may agree to its relative validity on the basis of face validity, criterion validity, content validity, construct validity, internal validation and external validation

(Babbie & Mouton, 2009). In the broadest sense, validity refers to the degree to which the research conclusions are sound (Terre Blanche et al., 2007).

The researcher acted in accordance with the ethical principles prescribed by the Psychological Society of South Africa (1996). The purpose and benefits were fully communicated to management with whom the research was contracted. Since the research was initiated one year after the psychometric tests has been administered to the participants, there was no opportunity to brief the participants upfront on the purpose of the research project or assure them that the results of their assessments would remain completely confidential. This commitment was therefore made to management, together with the agreement that the results of the research would be used for future recruitment purposes.

The score totals for the six work performance objectives (branch performance, customer satisfaction, governance and regulatory compliance, staff management, self-development and values) were consistently used. The performance appraisal forms were well developed; the raters were trained, willing and able to provide accurate ratings; and the raters had the opportunity to observe employee performance. The performance review process employed in this organisation only required composite performance ratings to be captured in the electronic repository at the end of each performance appraisal period, and hence these were the only scores accessible for use in this study. This limited the interpretation of the correlations drawn with the specific essential competencies identified. Performance ratings were also ultimately adapted to align with the business results of the relevant period in the management consistency forums which involved discussions to calibrate and finalise performance ratings.

The OPQ32r that was used to measure personality constructs complied with stringent validity and reliability requirements. Item Response Theory (IRT) is a comprehensive approach that was used to test the reliability of the OPQ32r. It is based on error of measurement and composite reliability. With the IRT approach, the measurement error varies along the measurement scale. It requires standard errors for the OPQ32r scales to be computed through directional test information for particular IRT scale scores in the 32-dimensional space. Composite estimates

showing estimates of internal consistency reliability from the IRT information were quite high with a median composite reliability of 0.84. This indicated distinct improvements from previous versions of the OPQ32. Furthermore, the reliabilities for 25 out of the 32 scales are 0.9 or above, with the remaining seven scales having reliabilities above 0.84 (Brown & Bartram, 2009).

The validity of the study was enhanced by the following:

- effective planning of the research design
- the selection of valid, appropriate and applicable constructs
- the use of valid measuring instruments
- the use of appropriate data analysis techniques
- ensuring reliable data in order to arrive at valid conclusions
- the results of this study not being generalised to broader populations
- owing to the small sample size (N = 95), the findings being viewed with caution

Normative scales are favoured in traditional research practices and widely used in personality or competency assessment. However, they are subject to numerous response biases such as acquiescence, leniency and central tendency, halo effects and socially desirable responding. These biases can be a serious threat to validity. The forced-choice format of the OPQ32r however, has been shown to successfully reduce uniform response biases and to produce greater operational validity coefficients (Bartram, 2007).

The OPQ32r is a forced-choice questionnaire that delivers normative results (SHL, 2009) using multi-dimensional IRT modelling (Brown & Maydeu-Olivares, 2011).

In 2011 SHL developed norms for the OPQ32r for a large sample of individuals in South Africa (N=32 020), the UK (N=72 444) and China (N=22 481) who completed the assessment for selection or development purposes. Samples were matched by gender, age and industry, thus reducing the match sample size (N=1 706). Three country samples of the OPQ32 showed good construct equivalence across countries

and languages (English and Chinese). Differences on the OPQ32 scales (stens) between the three countries were generally small and did not exceed a medium effect size (1 sten) compared to the mean. The pattern of gender differences were generally similar across the three countries but the size of the difference varies, especially when comparing the UK and China. Lastly, patterns were very similar when controlling for age. South Africa itself, whilst very diverse, demonstrated constructed equivalence of the OPQ32 across a wide range of ethnic groups within the country (SHL, 2011). These results supported previous work showing cross-cultural equivalence and also provided further support for international comparisons (see Bartram, 2008; Bartram & Venter, 2009).

Industry sectors were grouped into six overarching industry clusters that showed some differences on OPQ scale scores. These industries were Consulting and Professional Services; Finance and Insurance; Technology and Telecoms; Education, Government, Health, Non-profit (NPO); Consumer Services and Manufacturing, Construction, Transportation and Utilities (SHL, 2011).

In a study of bias no practically significant differences were found between cultural and gender groups in South Africa in terms of cultural and gender bias (SHL, 2001). The sample consisted of 6 058 participants from various industry sectors (65% male, 52% black and 48% white). The ages of the group ranged from 16 to 67 with a mean age of 34.07 years ($SD = 10.01$). No large practical significant differences were found between the means for black and white participants in terms of race and only two scales approached a medium effect size. The effect sizes ranged between 0.01 – 0.46. Only the scales Rule Following ($d = .43$) and Decisive ($d = .46$) obtained effect sizes of higher than 0.40. The black group obtained a higher score on Rule Following and a lower score on Decisive than the white group. Investigating the practical significant differences on the various personality attributes between male and female participants only one scale, Competitive ($d = .42$), obtained an effect size of higher than 0.40 where the males obtained a slightly higher score. The effect sizes in this case ranged between 0.01 and 0.42.

An international concurrent validity study, using the OPQ32i (a precursor of the OPQ32r) as a predictor of performance in terms of managerial competencies, were conducted (SHL, 2009). The SHL Inventory of Management Competencies (IMC) was used as the 360-degree tool to obtain performance ratings. The IMC was completed by themselves, managers, colleagues and direct reports, in the appropriate language version. The sample consisted of 853 directors and senior managers who were located across Europe, Asia Pacific, North, Central and South America. The sample consisted of 81% males and 19% females. Their ages ranged between 35 and 60 years, the majority of participants were French nationals and almost all participants had a university level education. In every analysis, comparisons were made between the short IRT-scored OPQ32r and the OPQ32i (SHL, 2009).

Composite prediction scores were produced for each competency. The OPQ32 traits, that were hypothesised to be predictive of certain types of behaviour, were combined to predict each IMC competency (SHL, 2009). The scales were identified a priori and added up (without weights) to get to a composite score. Two composite prediction scores were produced for each of the competencies, based on the IRT-scored shortened OPQ and on the traditionally scored OPQ32i (SHL, 2009). The median correlation of composite personality predictors was 0.32 for the short IRT-scored OPQ and 0.35 for the full ipsative OPQ. Best validities for OPQ32 predictions reach as high as 0.29 (short IRT-scored) and 0.30 (full ipsative) for manager, 0.30 (short IRT-scored) and 0.33 (full ipsative) for colleagues, 0.27 (short IRT-scored) and 0.30 (full ipsative) for direct reports (SHL, 2009).

Observable competencies such as Action Orientation, Personal Motivation, Leadership, Creativity, Innovation, Interpersonal Sensitivity and Persuasiveness, displayed high validities for all rater categories. For competencies that are not as visible to others, such as Resilience (Funder & Dobroth, 1987), self-ratings have much higher validities than the ratings by others. Both the short IRT-scored OPQ32 and the full ipsative OPQ32i show that personality scales have generally low validities in predicting competencies such as Specialist Knowledge, Written Communication, Problem Solving and Analysis (SHL, 2009). Validities of composite personality predictors based on the shortened IRT-scored OPQ32r in relation to the

16 different competencies as assessed by managers, colleagues and direct reports show no statistically significant difference to the validities for the composite predictors based on the full OPQ32i. This confirms that the OPQ32r version preserved the validity of the full OPQ32i (SHL, 2009).

Local validity studies were conducted using SHL's Managerial and Graduate Item Bank (MGIB), the OPQ and a client designed in tray exercise to assess their effectiveness in the selection of MBA applicants at a South African tertiary institution by means of predictive validation (SHL, 2002). The results pertaining to the OPQ indicated that moderate to high correlations were found between the OPQ competencies and the MBA course results criteria. Problem solving and analysis and Written communication obtained the highest significant correlations. The low correlations between some of the management competencies and the criteria could be ascribed to the fact that the criteria were a measure of cognitive ability and did not include behavioural aspects (SHL, 2002).

Kotze and Griessel (2008) also conducted a study to identify valid predictors and measures of the academic performance of 135 MBA students from a South African School of Management. The assessment instruments used were the MGIB and the OPQ32i. The research findings indicated that although verbal and numerical abilities seem to contribute significantly more to MBA academic performance, than personality attributes, the important role of personality attributes was highlighted. The results provided support for the notion that personality scales can provide unique criterion-related validity findings. The overall results indicated that these assessment instruments can be useful as predictors of success on MBA academic performance (Kotze & Griessel, 2008).

The Person-Job Match also relies on ability test results to determine competency potential scores. The Verbal Reasoning test (VC1.1) and the Diagrammatic Series ability test (DC3.1) were selected as appropriate for supervisory levels (comparable to branch managers) (SHL, 2004). Local validity studies were conducted on the VC1.1 and DC3.1 as part of the Critical Reasoning Test Battery (CRTB) in assessing their effectiveness in the selection of candidates for various positions at a South African financial institution, different to that of the present study. A predictive

validation study was conducted to analyse data for significant relationships between test scores and the candidates' performance against the organisation's performance rating system. The correlations between the CRTB and the performance ratings were moderate to high, correlating significantly with the performance rating data (SHL, 2005).

As is evident from the above, the OPQ32, the VC1.1 and the DC3.1 comply with the psychometric property standards as dictated by the South African Employment Equity Act (55 of 1998), which has the dual objective of ensuring that only valid and reliable assessments are used and that assessments are used in a fair manner that is free from bias. The OPQ32r has been shown not to discriminate against certain groups of people, is applicable for cross-cultural application and has appropriate norms. The OPQ32 is also provisionally registered with the Professional Board for Psychology of the Health Professions Council of SA (HPCSA) (www.hpcs.co.za) as a psychological test. It was therefore deemed appropriate to use these measuring instruments for determining branch managers' person-job match fit in this study.

For the PJM, validation evidence was gathered by SHL (2013) in the South African insurance industry to assess the effectiveness of using personality assessment and Person-Job Matching to predict the job performance of call centre operators indicated a statistically significant validity coefficient of 0.33. In another study, SHL (2013) revealed a strong relationship between MBA students' performance on the assessments, as summarised in the PJM results, and their subsequent academic performance. In yet another study, customer service agents in the travel airline industry who were identified as "Strong" matches by their PJM results were three times more likely to obtain higher performance rating scores, while those identified as "Extremely Strong" matches were four times more likely to obtain higher performance rating scores (SHL, 2013)

1.6 Research method

The research is presented in two phases: the literature review and the empirical study.

1.6.1 Phase 1: Conceptualisation and literature review

The following steps were taken in the literature review phase:

Step 1: Personality and competencies were defined and described.

Step 2: Work performance was defined and described.

Step 3: A theoretical integration of competencies (including personality) and work performance was presented.

1.6.2 Phase 2: Empirical investigation

The empirical investigation involved the following steps:

1.6.2.1 Step 1: Population and sample

According to Landman (1988), when a sample does not truly represent the population (universe) from which it is drawn, it is deemed to be biased. In this study, branch managers in the Category 1 and Category 2 identified branches represented the entire population in this bank. Category 1 and Category 2 branches are those branches that have been identified as primary branches in attracting maximum value clients in line with the revised customer value segmentation model.

Sampling is the use of a subset of the population to represent the whole population (Black, 2009, pp. 5-6). Probability sampling, or random sampling, is a sampling technique in which the probability of obtaining any particular sample may be calculated. Nonprobability sampling techniques cannot be used to infer from the sample to the general population (Black, 2009). Purposive sampling was used because all 101 branch managers based in the bank's Category 1 and Category 2 branches constituted the sample. The 101 branch managers were selected to complete the Occupational Personality Questionnaire 32 (OPQ32r) in the preceding 18 months. Of this sample, performance data could only be traced for 95 of the participants.

The ages of the participants ranged between 22 and 61 years, with the mean age of

38 years and a standard deviation of 10.05 years. Females comprised 69.5% of the sample and males 30.5%. Ethnic origins were represented as follows: African (34.7%), coloured (2.1%), Indian (11.6%) and white (51.6%). The educational levels of the participants were as follows: Grade 12 (40.4%), Post-matric certificate (38.3%), degree or three-year diploma (14.9%) and post-graduate qualification (6.4%).

1.6.2.2 Step 2: Measuring instruments

The measurement instruments utilised in the research study was the Occupational Personality Questionnaire (OPQ32r) (SHL, 2009), the Verbal Reasoning ability test (VC1.1) and the Diagrammatic Series ability test (DC3.1) (SHL, 1991), the results of which were extracted in the Person-Job Match (PJM) report, which is a second-order output of these instruments. These scores were used as a measure of person-job match fit, the independent variable.

(a) The OPQ32r and the ability tests

The OPQ32r provides information on the participants' preferred behaviour on 32 relevant characteristics and consists of 104 blocks of three statements measuring different traits. For each block, participants have to choose one statement that is most like them and one that is least like them (SHL, 2009). This format is forced choice, which is more robust to biasing effects, and is scored using a multidimensional Item Response Theory (IRT) approach (Brown & Maydeu-Olivares, 2011).

The OPQ32i (ipsative scales, using forced-choice format) is no longer available. The OPQ32r is a shortened version of the OPQ32i which is easier and faster to complete (SHL, 2009).

The ability test results are also used to determine competency potential scores. The Verbal Reasoning test (VC1.1) measures the ability to understand and evaluate the logic of various kinds of arguments, and includes a variety of topics relevant to supervisory and junior management levels. This test consists of a series of

passages, each of which is followed by several statements. The task is to evaluate each statement in the light of the passage, and to indicate whether it is “true” or “false” or “cannot say given the information in the passage.” (SHL, 2004).

The Diagrammatic Series ability test (DC3.1) aims to measure the ability to reason logically and involves the recognition of logical sequences within a series of diagrams or symbols. The tests have been used for a wide variety of groups including office supervisors, senior personal assistants, sales and customer services staff. The DC3.1 is suitable for occupations requiring logical or analytical reasoning (SHL, 2004).

The value of these ability assessments has been established in previous validation studies in the organisation and is widely used in other work settings. These ability scores load on the OPQ32r competencies, and are integrated into the final PJM report. The overall competency potential match score is a weighted score based on the criticality of the competencies assessed and the person’s scores on competency potential measures derived from the OPQ32r and the ability tests. Hence each participant’s PJM results reflect a broader view of his/her potential for the branch manager role (i.e. competency potential across all 20 dimensions of the UCF).

This PJM report (SHL, 2009) uses the competency dimensions from the SHL Universal Competency Framework (UCF20)[™] (table 1). The SHL UCF provides a common language to describe the key behaviours that influence work performance (SHL, 2013). According to SHL (2013), it is based on unique research that has analysed thousands of competencies used all over the world, in all sectors, and at all job levels. The result is a method of arranging similar and linked competencies into a simple-to-use format that can be applied to understanding performance drivers in any organisation. The PJM report was based on the competencies that have been identified as being important for the job of branch manager (table 2). These competencies are derived from focused role profiles, developed by creating a specific job profile, as defined by the SHL UCF competency model (SHL, 2013). It compares the person’s likely performance against these key areas. Likely performance is based on competency potential scores derived from the person’s responses to the personality questionnaire, the OPQ32r.

The PJM Report links individual potential (via the OPQ, and appropriate SHL ability tests, if applicable) to behaviours (via the UCF), which can be directly related to delivery of results for a specific job. By effectively matching the likely potential of candidates to the ideal competency profile required to perform the job well, PJM reports serve as a valuable selection tool in organisations (SHL, 2013).

(b) Criterion measures

All performance objectives contracted as part of the performance management tool utilised in this organisation have their roots in the organisation's strategy. These strategies are cascaded down to the business units. Each business unit prepares its own balanced scorecard (BSC) objectives in line with the organisation's strategy. Business units in turn filter their BSC objectives to areas and functions within that business unit. Each leader of an area or function will use the area or function's BSC objectives to set up his/her own performance plan, which will be discussed and agreed on with the head of the business unit. When this has been finalised, the leader will hand his/her performance plan to the team leaders in that area or function to base their performance plans on. They in turn will give their performance plans to the individuals who report to them, until the performance plans reach the front-line employees. The purpose of this process is to ensure that each staff member has a clear line of sight to the levers linked to the organisation achieving its end goals.

Performance objectives contracted should abide by the CSMART principle. CSMART stands for the following:

- C = *challenging* relates to the challenge or "stretch" in the objective.
- S = *specific* refers to knowing what to do when one is working towards an objective.
- M = *measurable* pertains to answering the question "How much?" or "Show me what you have done".
- A = *achievable* concerns the scope of the objective and the resources available.

- R = *realistic* has to do with the ability to do the work according to specifications.
- T = *Time bound* relates to the due date and schedule of the deliverables.

The following sources were used to obtain ratings of job performance, the dependent variable, in the biannual performance appraisal discussion:

- *Balanced scorecard (BSC) performance ratings*. These ratings were based on branch managers' monthly performances according to the BSC measurements. This performance measurement incorporated the achievement of financial targets contracted, customer satisfaction indicators, risk and operations management factors and the staff management practices followed. Each branch manager's biannual performance rating consisted of the average rating the person obtained during the six-month period that was measured.
- *360 degree feedback*. This type of feedback is used to assess branch managers' personal, interpersonal and team behaviour. This rating was based on biannual feedback from colleagues, customers and supervisors to ensure objectivity in the measurement and to avoid rater errors.

Apart from the feedback received by the branch manager's team leader, feedback can also be collected from a range of sources including subordinates, peer groups, customers and others who can provide current and meaningful information on the branch manager's performance. The sources should be mutually agreed upon upfront between the branch manager and his/her team leader.

Before ratings are finalised, forums are held between team leaders in relevant business areas to ensure that fairness and consistency prevail in the ratings across teams. The meeting also helps team leaders to view individuals' performance in terms of business results, so that overall ratings will reflect business achievements.

The rating scale enables team leaders to recognise and differentiate performance in their teams. One of the key outcomes for the employee from the year-end performance review is decisions about salary increases awarded and

incentive/bonus scheme awards.

The ratings branch managers obtained in their performance appraisal served as the criterion measure for job performance in this research. This performance appraisal consisted of the rating each individual obtained on his/her objectives. Objectives are determined according to the branch managers' outputs as derived from the job description. Ratings on the objectives are determined by the employees and their supervisor during their biannual performance appraisal discussion. The following objectives were used:

- Deliver on the performance of the branch, through the following: achievement of the management accounting profit target; achievement of targeted performance management framework rating; achievement against transaction migration target; achievement of the branch's sales targets; achievement of a positive trend line growth in workplace banking performance areas; and achievement of allocated remote opening sales targets within an "error" incident rate below 3%.
- Deliver and maintain high levels of customer satisfaction in the branch in order to achieve the following: the uniquely set customer satisfaction targets for the branch; the number of formal customer engagements against a uniquely set target for the branch: the improvement rate of customer complaints captured and resolved for the branch; qualitative compliments captured for the branch; and the implementation of at least one corporate social investment initiative per annum.
- Deliver on the governance and regulatory compliance in the branch by means of the following: green management assurance review and control effectiveness assessments; complete adherence to all regulatory and compliance requirements; compliant staff before deadlines, inclusive of regulatory exams, completion of compliance training, value of financial losses in relation to rand value handled and new accounts opened; the achievement of uniquely set risk model targets; and the planning, organising and management of resources to ensure efficient and effective branch operations.
- Manage the delivery of branch staff through the following staff management

practices: achievement of codes of good practice targets as agreed on a quarterly basis (based on annual target); the completion and updating of a team training plan on a quarterly basis; putting contracted training plans in place for team on a quarterly basis; completion against team training plan on a quarterly basis; completed contracting of performance targets of direct reports as per performance appraisal process; compliance with the performance appraisal process and performance and consequence management; updating of succession plan for key roles on a biannual basis; implementation of development plan for identified successors (key roles); the achievement of vacancy ratio on a monthly basis; and determine the number of regretted losses on a monthly basis.

- Self-development involves the following: a signed-off development plan in place; progress on the development plan; and other achievements indicated on the development plan.
- Adhering to and living values involve the following: adherence to company values and rules pertaining to absenteeism, tardiness, time management and the number of disciplinary actions recorded.

1.6.2.3 Step 3: Administering the research procedure

Participating branch managers completed the assessment instruments (OPQ32r, VC1.1 and DC3.1) in paper-and-pencil format in an uninterrupted setting for approximately 45 minutes to an hour for the OPQ32r, and 30 minutes each for the VC1.1 and the DC3.1. To ensure consistency, the guidelines for the assessment instruments' administration cards were followed strictly during each test administration session. An accredited and experienced test administrator administered the assessments, which contributed to the reliability and validity of the process because accreditation for administering the tests ensures adherence to strict test administration guidelines. Furthermore, the assessments instruments utilised (see chapter 3) have been found to have acceptable psychometric properties. To further ensure standardisation of the test administration, all the participants completed the questionnaires in the same venue, in equally sized groups. In terms of

the criterion measure for the research, the branch managers' performance ratings for the preceding three years were retrieved, namely 2009, 2010 and 2011.

1.6.2.4 Step 4: Performing the statistical analysis

The OPQ32r (SHL, 2009), the VC1.1 and the DC3.1 (SHL, 2004) were marked by a scanner. The statistical analysis in this study focused on the relationship between essential competencies identified using the SHL job analysis tool, the work profiling system (WPS) relying on input from existing branch managers as well as their line managers. These essential competencies were then used to generate PJM reports for the participants by matching these competencies to their relevant OPQ32r scores and VC1.1 and DC3.1 scores. The IBM SPSS Statistics Version 19 package was used to analyse the data (Statistical Package for the Social Sciences, 2010).

The means, standard deviations, skewness and kurtosis were identified to present the descriptive statistics of the UCF20 essential branch manager competencies and the performance ratings for the specific performance periods.

The Pearson correlation coefficient is the statistic that was used to determine the strength of linear association between two variables (Keller & Warrack, 2000). The analysis was reported as a matrix of intercorrelations between criterion data (ratings across different performance periods) spanning three years (2009–2011).

A standard regression analysis summary was done to determine the coefficient analysis with the criterion average and the essential competencies. This was followed by the analysis of variance (ANOVA) summary between the essential competencies and the average work performance to show the significance of the model. ANOVA allows for the testing of differences between more than two groups of subjects and the influences of more than one independent variable (Durrheim, 2005).

Pearson product moment correlations were used to investigate the correlations between the essential competencies identified for a branch manager and work performance, thereby allowing the researcher to draw conclusions on whether

competencies serve as a predictor of work performance among branch managers.

1.6.2.5 Step 5: Reporting and interpreting the results

The statistical data were examined and analysed to facilitate inductive reasoning and to draw conclusions from the data in terms of the research hypotheses. The results were presented in tables, which were discussed and interpreted.

1.6.2.6 Step 6: Conclusions, limitations and recommendations

Conclusions were drawn in terms of the aims of the research, the limitations of the research were discussed and revealed and recommendations were made on the basis of the findings.

1.7 CHAPTER LAYOUT

The chapter layout of this dissertation is as follows:

Chapter 2: Competencies, personality and work performance and their integration conceptualised from the literature review

The aim of this chapter is to provide a theoretical background to the study and conceptualise personality, competencies and work performance. The constructs are examined in terms of their histories, definitions, underlying dimensions or components and application pitfalls. A theoretical integration of competencies, personality and work performance is also presented.

Chapter 3: Research article

In this chapter the results are presented in article format. The empirical procedure is explained in terms of the sample, measuring instruments, administration of the questionnaires, data collection and processing, statistical methods and formulation of the hypothesis. The results are discussed against the formulated hypothesis, and

presented in tables and figures. Conclusions are drawn, recommendations made and the limitations of the study discussed on the basis of the research findings.

Chapter 4: Conclusions, limitations and recommendations

Conclusions are drawn in terms of the specific aims of the research. The limitations of the research are discussed and recommendations are made on the basis of the findings of the research.

1.8 CHAPTER SUMMARY

This chapter introduced the study, outlining the background to and rationale for the study, the research problem, aims, paradigm perspective, research design and method. The chapter concluded with the chapter layout.

CHAPTER 2: COMPETENCIES AND WORK PERFORMANCE AND THEIR INTEGRATION CONCEPTUALISED FROM THE LITERATURE

This chapter focuses on the conceptualisation of competencies and work performance. Each of these constructs is discussed by referring to its general orientation, definitions, components or framework, underlying logic and application in an organisational context and any pitfalls in this application in the workplace. The chapter concludes with a theoretical integration of competencies and work performance.

2.1 COMPETENCIES

This section provides a brief literary review of the construct of competencies. It is aimed at exploring competencies in terms of a general orientation, the various approaches that have sought to conceptualise it, its definition, the trait theory of personality and its link to competencies, the assessment of competencies, the use of competency data and pitfalls to look out for when assessing competencies and using competency data.

2.1.1 General orientation to competencies

Psychologists tend to think about individuals in terms of ability, motives and traits. Human resource specialists, on the other hand, talk about individual differences in terms of capability, competency, experience, know-how, potential and proficiency (Furnham, 2008). Most organisations now have competency frameworks that are used to help human resource specialists make decisions about appraisal, recruitment, selection and training. Trait theorists might argue that these lists are intuitive taxonomies in modern business language that represent the Big Five personality factors lexically (Furnham, 2008). On the other hand, many claim that well-designed, behaviourally anchored competencies relating to certain families of jobs provide very useful data for practitioners trying to both understand and select for certain jobs (Furnham, 2008). The organisation in which this study was conducted utilises a competency framework as a basis for most of their human resources practices.

2.1.2 Approaches to competencies

Furnham (2008) believes that “the world of competencies and the world of personality and ability still do not overlap. He believes that this may be explained by the fact that the competencies movement has in fact served the useful and important function of job analysis. That is, by understanding what people do and how they do it efficiently. Competencies have served to describe in detail the types of skills and temperaments successful job holders need to have” (p. 334).

According to Bartram and Brown (2005), competencies are defined as sets of behaviours that are instrumental in the delivery of desired results (Bartram et al, 2002 in Bartram and Brown, 2005). Defining a competency in relation to its significance for performance at work, the UCF provides a single framework for making predictions from measures of competency potential (ability, personality and motivation) to ratings of actual work performance (Bartram and Brown, 2005).

According to Bartram and Brown (2005), a person’s potential, or capability, to behave competently in the work place is partly a function of their personal attributes. These include underlying aspects of the individual (aptitudes, interests, values, motives and personal style) as well as their knowledge and their skills. Therefore, research-derived predictions from the responses that a person gave to a personality measure (such as the OPQ32) can be used to estimate the person’s competency potential. These derived scores do not reflect actual performance but do tell us about the likelihood that a person will either display strength in each area or need development.

In exploring change dynamics and related leadership competencies, von Eck and Verwey (2007) indicated that it is clear that distinctions are made between competence, competency and capability. They maintain that there is a relationship between the three and that capability forms the platform on which competencies are built, and on which competence is built in turn (von Eck & Verwey, 2007).

Veldsman (2002, p.80) defines competence as “the ability and willingness to perform

at the appropriate level as demanded by the context at a certain point in time, but also across time.” According to Brown and McCartney (2003), it is a set of minimum requirements of those who are deemed to be especially effective. It is concerned with the ability to demonstrate what has been acquired with its root being the fact that it looks back into the past and gains its worth from its past time-value (Brown & McCartney, 2003).

Rowe (1995, p. 12) defines competency as “the behaviour by which competence is achieved i.e. a description of *how* people do it. Competencies therefore refer to the behaviours adopted in competent performance.” Adding to Rowe’s definition, Stuart and Lindsay (1997) state that competencies are built up of smaller components which are termed elements of competencies. These elements are skills, knowledge, characteristics, traits and abilities (Stuart & Lindsay, 1997).

Capability on the other hand looks forward to the fulfilment of potential and is not concerned with past performance or ability. It is therefore about the person’s ability to learn how to perform tasks (which he or she does not have the knowledge or skill to perform at the time) in the future (Brown & McCartney, 2003). Capability is therefore more fluid and in a continual state of development (Brown & McCartney, 2003).

According to Brandao, Borges-Andrade, Puente-Palacios and Laros (2012), although competency constitutes a complex and multifaceted concept, it is traditionally understood as the individual’s capability to perform a role in a particular professional context. It is derived from personal attributes, such as knowledge, skills and attitudes which become evident through the individual’s behaviour at work. Competencies are revealed as people behave in the professional situations they come up against. They are generally described in terms of behavioural patterns, which represent the organisation’s expectations regarding the performance of its employees. The behaviours expected from those people while exercising managerial functions are usually called management competencies (Brandao et al., 2012).

Competencies are developed through the learning process which involves acquiring knowledge, skills and attitudes (Brandao et al., 2012). Learning may be defined as a

relatively lasting change in a person's capacity or behaviour that is transferable to new situations. It constitutes the process through which the competency is developed, while the expression of competencies represents a manifestation of what the person learned (Brandao et al., 2012).

Learning processes may be formal or informal, in such a way that the individual is able to learn just as much from training and development activities that are formally undertaken by the organisation as from learning practices informally used in the workplace. These informal activities that people adopt in their professional context – in order to gain knowledge and skills – are referred to as learning strategies at work (Brandao et al., 2012).

According to Abbad, Freitas and Pilati (2006), even though the learning activities undertaken by the individual have promoted the acquisition of knowledge, skills and attitudes, it is possible that this learning process does not generate favourable effects on the expression of competencies at work, if the individual doesn't have the adequate organisational support in the context of work. So, organisational support variables (such as performance management practices, workload, material support and promotion and reward practices) can moderate the relationship between the acquisition and the expression of competencies at work (Brandao & Borge-Andrade, 2008).

Tovey (1994) suggests that the only route to take – if real business value is to be gained – is through a strategic approach to competency assessment. This approach focuses on how the output can form the basis of an organisation's human resource development strategy. With this approach the competency vernacular is applied throughout the whole organisation as a summative value proposition. The strategic position of the organisation is translated into a core set of competencies that drives the whole business. This strategically focused competency approach then permeates all recruitment processes. It provides the backdrop to all job analysis processes for the different positions in the organisation.

Schmidt and Hunter (1998) concluded that consensus has been reached in two areas. Firstly, cognitive ability appears to be a relevant predictor of work

performance across virtually every job studied. Secondly, there are broad personality traits that show generalisable validity across a wide range of jobs.

Murphy and Bartram (2002) conclude that it is widely accepted that professionally developed ability tests, structured interviews, work samples, assessment centres, and other structured assessment techniques are likely to provide valid predictions of future performance across a wide range of jobs and settings. Furthermore, they maintain that the level of validity for a particular test can vary in function of characteristics of the job or the organisations, but validities are often quite consistent. Lastly, they affirm that it is possible to identify abilities and broad dimensions of personality that are related to performance in virtually all jobs.

The competency model, applied to the world of work of a branch manager, raises the question as to what its relationship is with the psychological constructs of personality. A competency, according to Kurz and Bartram (2002, p. 229), is a

construct that represents a constellation of the characteristics of the person that results in effective performance in his or her job. The various uni-dimensional psychological characteristics that underpin competencies can be considered as components of these constellations. The main factor that distinguishes a competency from other weighted composites of psychological constructs is the fact that a competency is defined in relation to its significance for performance at work, rather than its content in purely psychological terms. It differs from constructs such as abilities or personality traits, which are uni-dimensional and defined as characteristics of the person, that “exist” and can be measured in isolation from a work context

A basic assumption for a recruiting model and a criterion-related validity study is a sound job analysis (Cascio, 1998; SIOPSA, 1998). The operationalisation of job analysis can be traced back to McCormick (1959) who first coined the term job component validity. This term was used to describe an inference of test validity given the empirical relationships between test constructs and job analytic data.

In this study, a job analysis was done using the Work Profiling System (SHL, 2001)

in order to crystallise predictors in terms of the competency-based framework and the PJM report. This methodology is essentially a competency profiling system which complements other forms of job analysis (Shippmann et al., 2000). According to Kurz and Bartram (2002) it differs from job analysis in that the focus of the former is on the desirable and essential behaviours required to perform a job, while the latter competency profiling method provides a person specification, and the job analysis provides a job description. The main advantage of the competency modelling approach seems to be its success in building models for organisation-wide integrated human resource management. This study focuses on the specific requirements of the job as determined by a job analysis, and how the psychometric instruments (in this case the OPQ32r, the VC1.1 and the DC3.1 assessments) predict success in the job.

After following the job analysis process, the competency framework should be an accurate portrayal of the competencies needed to fulfil the requirements of the branch manager position. The question, however, is to what extent the candidates who meet the requirements of the job and are recruited, go on to be successful branch managers. This study thus moves beyond the job analysis per se to assess the predictive validity of this job analysis.

The competency profile that emerged from the job analysis is a direct function of the OPQ32r and the 32 dimensions it measures. It disperses the 20 competencies according to the varying criticality levels of each competency in fulfilling the requirements of the job. Criticality is a function of how important a particular activity is to meeting the requirements of the job and the amount of time spent doing it. The participant's score on the various factors of the OPQ32r are then translated into the competency language; the respective importance levels according to the job analysis model are applied and interpreted in terms of the Universal Competency Framework job profile. These identified essential competencies were then used to generate PJM reports for the participants by matching these competencies to their relevant OPQ32r scores and VC1.1 and DC3.1 scores.

For the purposes of this literature review it is necessary to conceptualise personality and abilities, and how they lend themselves to the conceptualisation of

competencies.

According to Laher (2007), most personality theories can be said to fall into one of six theoretical approaches, namely psychodynamic, cognitive/social learning, humanistic/existential, behavioural genetics, the radical behaviourist approach and trait theory. The trait theory is of particular relevance to this study and will thus be explored in greater detail. According to Laher (2007, p. 83), personality can be described as follows in terms of the trait theory as a framework:

Just as an individual organism begins life with a limited subset of its species' genes and the trait potentials they subsume, an individual is born with a number of potential personality styles. Over time, the salience of these trait potentials – not the proportion of the genes themselves – becomes differentially prominent as the organism interacts with its environment. Thus, with time, as the individual adapts to his or her environment, different personality styles become differentially prominent and latent potentialities are shaped into adaptive and manifest styles of perceiving, feeling, thinking and acting.

2.1.3 Trait theories of personality

In 1936, psychologist Gordon Allport found that one English-language dictionary alone contained more than 4 000 words describing different personality traits. He classified these traits according to the following three levels (Allport & Odbert, 1936):

- *Cardinal traits*. These traits dominate an individual's whole life, often to the point that the person becomes known specifically for these traits. People with such personalities often become so famous for these traits that their names are synonymous with these qualities. Allport suggested that cardinal traits are rare and tend to develop later in life (Allport & Odbert, 1936).
- *Central traits*. These are the general characteristics that form the basic foundations of personality. These central traits, while not as dominant as cardinal traits, are the major characteristics one may use to describe another

person. Terms such as intelligent, honest, shy and anxious are considered central traits (Allport, & Odbert, 1936).

- *Secondary traits*. These are the traits that are sometimes related to attitudes or preferences and often appear only in certain situations or under specific circumstances. Some examples would be experiencing anxiety when speaking to a group or being impatient when waiting in a queue (Allport, & Odbert, 1936).

In terms of a more contemporary view on traits, Augustine and Larsen (2012) postulate that there is no universally agreed upon definition of a personality trait. They explain that self-report ratings of personality may capture the individuals wish to be viewed by others or represent a summary of a relatively complex pattern of behaviour. Trait ratings may also capture the average or expected value of behaviour during a given period of time (Augustine & Larsen, 2012).

According to McCormick and Burch (2008), the five-factor model (FFM or Big Five) is generally accepted as the predominant taxonomy for examining the relationship between trait personality and occupational criteria. The FFM places the emphasis on individual personality traits with the five primary personality factors being (1) neuroticism, (2) extroversion, (3) openness to experience, (4) agreeableness, and (5) conscientiousness (Costa & McCrae, 1992). According to Costa and McCrae (1992), *neuroticism* is characterised by the following: anxiety, irritability, sadness, self-consciousness, impulsiveness and an inability to cope with stressful situations. *Extroversion* is characterised by warmth, sociability, assertiveness, energy, excitement and optimism. *Openness to experience* is characterised by a vivid imagination, an appreciation of art and beauty, mood swings, a desire to try out new activities, intellectual curiosity, and openness to political, social and religious beliefs. *Agreeableness* is characterised by a belief that others are well intentioned, frankness and sincerity, a willingness to help others, preparedness to forgive and forget, modesty and tender-mindedness. *Conscientiousness* is characterised by a sense of capability, good organisation, self-government by conscience, a drive to achieve, self-discipline and deliberation. This is particularly relevant to the present study because the OPQ is based on trait theory, and measures the Big Five factors, also extending beyond to a broader personality domain than the FFM (SHL, 1999).

2.1.4 Competency assessment

Personality tests are among the most frequently used tests in South Africa (Laher, 2010). The Employment Equity Act 55 (1998) states that all tests used in South Africa must be proven to be scientifically reliable, valid and fair. Such legislation has major implications for the development of testing instruments and their use in South Africa.

The development of the OPQ was based on an exhaustive literature survey, repertory grid analysis and critical incident techniques to develop initial models of personality put to extensive trials and progressively refined (Saville, Cramp, & Henley, 1995). According to Saville et al. (1995), the Occupational Personality Questionnaire (OPQ) departed from the following basis:

- The questionnaire was not based on a specific personality theory, but on an eclectic approach using personality traits proposed by other scientists, including Eysenck and Cattell.
- New scales based on assessment centre criteria, management competencies and appraisal documentation were proposed.

The proposed traits were then subjected to trials and factor analytical methods leading to a number of technically sound instruments (Saville et al., 1995). The guiding criteria for the development of the OPQ as listed by Saville et al. (1995) focus strongly on the user-friendliness for the work environment. Hence this is clearly an instrument intended for industrial psychological purposes.

In 2010, Zimmerman, Triana and Barrick conducted a study with a sample of MBA students to assess the predictive validity of observer ratings of personality and job-related competencies (e.g. reference checks) in a selection setting. The study revealed that there is a continued need for more research that goes beyond using self-reports from the applicants themselves to ratings obtained from observers. It

also revealed that there have only been a handful of published field studies utilising observer ratings of individuals' personalities and job-related competencies to predict performance-related outcomes. Based on ratings from multiple raters of both the predictors and the criteria, results indicated that observer ratings of Conscientiousness, Emotional stability, Leadership and Interpersonal skills predicted work performance, team performance, and academic performance. For work performance and team performance, a composite of the four predictors had incremental predictive validity over general mental ability (GMA), even after controlling for how well the rater knew the ratee (Zimmerman, Triana and Barrick, 2010). Although the incremental validity of the observer ratings was established over GMA in this setting, the magnitude of the relationship between GMA and team and work performance was not significant. As range restriction on GMA could be one reason for the small magnitude of these correlations, future research should establish incremental validity over GMA in a sample comprising a less skewed distribution of intellectual ability (as to be expected amongst MBA students) (Zimmerman, Triana and Barrick, 2010).

In the OPQ32 course handbook (Saville, Cramp, & Henley, 1995), it has been shown that the Big Five factors of personality are found in all OPQ32 samples. The Big Five factors are typically embedded in a large factor solution because the OPQ32 also contains scales that do not relate conceptually to any of the Five Factor Model (FFM) factors. The OPQ32 measures a broader personality domain than the FFM. For example, energy, drive and interest elements are included in the OPQ32, but are not apparent in the Big Five (SHL, 2009).

In a study conducted by Alexander (2007) in predicting long term job performance using a cognitive ability test, archival data from over 3 000 staff at an international technology company were used to assess how aptitude test scores relate to both objective and subjective performance measures. The results indicated that aptitude test scores is related to long term job performance factors, however it should not be considered in isolation as other factors also account for long term job success (Alexander, 2007).

2.1.5 Uses of competency data

According to Contel (2012), many organisations base their hiring decisions on personality traits measured by tools such as the Myers-Briggs Type Indicator. They then train the new recruits to competencies defined for the roles they will be fulfilling. However, they do not pay enough attention to the capabilities and accomplishments or job requirements needed. Contel's (2012) illustrative example draws on how an airline pilot and an accountant may have similar personality traits such as an "attention to detail" and a "reluctance to take chances." Contel (2012) states that it's not until the focus turns to what employees are expected to accomplish in their jobs that it becomes apparent that competency-based hiring is critical in reaching the desired performance results with recruits. According to Contel (2012), personality-based hiring and competency-based learning will not achieve what matters most to a business. It is only when an employee's accomplishments are identified and used as a framework for training, that the performance results of the recruit becomes more predictable. By moving beyond a reliance on personality-based hiring, and supplementing it with a blended, outcomes-based development approach focusing on competencies, performance can be more solutions-oriented and collaborative. Such an approach would deliver results leaders aim for in hiring top talent (Contel, 2012).

According to Contel (2012), a performance-based learning approach that focuses on accomplishments is critical to ensure development and employee support efforts will yield desired results. People are equipped with skill and knowledge to perform tasks that produce outcomes that subsequently achieve business goals. Traditionally, learning also starts with capturing all the skills and knowledge the employee possesses. It doesn't consider that only a subset of those skills, knowledge and tasks are needed to produce business outcomes (Contel, 2012).

Contel (2012) maintains that when developing a programme to support workplace performance, it is necessary to define what success for the role means, and then to identify the outputs produced that lead to success and the tasks used to produce those outputs. The next step, according to Contel (2012), is to develop a job profile. Observation and interviews with high performers can be used to create a role profile

that clearly identifies the accomplishments created by that role and the tasks that need to be executed to create those outputs. Until the necessary job outputs are clearly defined, there can be no assurance that those capabilities will be applied in the right way to achieve business value (Contel, 2012). Once the role profile is established it becomes the framework of the learning curriculum. In this way learning is focused on skills needed to produce desired outputs. Performance assessment is made more objective by being aligned to the role profile and outputs. Remediation can also be clearly directed to the learning assets associated with tasks that need improvement (Contel, 2012). This type of structure supports the hiring process, allowing candidates to see clearly what's expected of them and reassuring new hires that learning is designed to support them in successfully meeting these expectations. It also aligns field coaching and assessment so that the HR and learning leaders are aligned in working towards common business goals (Contel, 2012).

According to an article (It's personal, 2011), psychometric testing forms the validation against the process of interviewing in terms of questions based on the job description, the job advertisement and the job profile. It validates the screening of the successful candidate. Psychometric data also offer the hiring manager a complete perspective on the new recruit: development areas can be addressed from the outset, the management style can be adapted to the individual's preferences, thus aiding retention, and learning preferences can also be matched for training purposes (It's personal, 2011).

According to Beaton (2006), psychometric tests can be used as team-building tools by creating work teams that are based on complementary personality styles. This significantly reduces workplace conflict and improves productivity. Assessments can also be used to mobilise talent into more suitable positions that stimulate, engage and ultimately retain them (Beaton, 2006).

In exploring the predictive validity of cognitive ability tests, Bertua, Anderson and Salgado (2005) conducted a meta-analysis on the validity of tests of general mental ability (GMA) and specific cognitive abilities for predicting job performance and training success in the UK. Primary studies were also coded by occupational group and by the type of specific ability test. Results indicated that GMA and specific ability

tests are valid predictors of both job performance and training success (Bertua et al., 2005).

In this research study, the primary focus is on the use of competency data collected by means of psychometric tests, in ascertaining whether competencies serve as a reliable predictor for work performance when used as part of the recruitment process.

2.1.6 Pitfalls of using competency data

The findings of Augustine and Larsen's (2012) study suggest that an individual's responses on a trait personality questionnaire may not be wholly based on actual personality-relevant behavioural expressions. They conclude that trait assessments of personality largely capture a mean of behavioural states. However, traits and aggregated momentary assessments of personality also show differential predictive utility. While some of these differences may stem from measurement issues, the consequences of acting in a manner inconsistent with trait personality suggest that these differences are also meaningful (Augustine & Larsen, 2012).

According to Huang and Ryan (2011), personality states share the same content domain as their corresponding personality traits, but they pertain to how a person is at a specific moment, as opposed to how that person is in general. The conceptualisation of personality states allows the examination of the impact of context on the expression of personality traits at work at the within-individual level (Huang & Ryan, 2011).

According to Burch and Anderson's (2008) model, personality plays a vital role in determining work-related behaviour, although this relationship is complex, being moderated by intelligence, sociocultural variables and situational/contextual factors, and mediated by situation perception and cognitive-affective mediating processes (Burch & Anderson, 2008).

According to Ones et al. (2007), different sets of personality variables should be used in predicting job performance for different occupational groups. For professionals, only conscientiousness scales appear to be able to predict overall job performance. In customer service jobs, all the Big Five dimensions predict overall job performance. For managers, the extroversion facets of dominance and energy and the conscientiousness facets of achievement and dependability are predictive. Apart from conscientiousness, there seems to be no other personality traits that predict overall job performance with similarly consistent validities across different jobs. Instead, different combinations of the Big Five yield the best levels of validity for different occupations (Ones et al., 2007).

In personnel selection settings, faking and response distortion are a concern on any self-report, noncognitive measure, whether it is a personality test, an interview, a biodata form or a situational judgement test with behavioural tendency instructions. Ones et al. (2007) maintain that there is evidence from job applicant samples for personality measures, documenting their criterion-related validity and construct validity in justifying contexts, a fact they believe should alleviate some of the concerns.

On the basis of the above discussion, one may conclude that competencies can be used as a predictor in organisational settings when measured with reliable and valid assessment instruments, and applied and interpreted in the right contexts.

The next section focuses on work performance.

2.2 WORK PERFORMANCE

Work performance is conceptualised on the basis of the literature discussed below. The focus is on the general orientation to work performance, its dimensions, the performance management framework, with specific reference to the balanced scorecard tool and 360 degree feedback, the implications of performance management, and finally, pitfalls to look out for when measuring performance and utilising the results.

2.2.1 General orientation to work performance

In a study conducted by Nzama, De Beer, and Visser (2008, p. 41), work performance is defined as “a multidimensional construct of how well one performs tasks at work, the initiative taken and how one solves problems – and was measured in terms of a final rating score obtained for each participant”. According to Langdon (2000), this model portrays a multidimensional view of work performance, realistically depicting an employee’s impact at different levels, such as the business unit, processes, individual jobs and work groups. Ultimately, this approach makes for a more meaningful performance review, both for the employee and the organisation, as the discussion focuses on the employee’s performance holistically (Langdon, 2000).

2.2.2 Work performance dimensions

Over the years, theorists have broken down the concept of performance into different dimensions. The changes are indicative of changes experienced by organisations and work roles across the times. Vroom (1964) viewed performance as a combination of ability and motivation. Dessler (1983) suggests that work performance is a measure of how well an employee meets the standards required on a specific job. Ivancevich and Matteson (1996) describe work performance as the quality and quantity of human output necessary to meet work goals agreed upon between employees and their managers. It is therefore clear that performance can only be evaluated as good or bad if a standard of performance has been agreed upon between employees and their managers.

According to an article entitled “Understanding human performance” (2012), a developed human performance model identifies the various factors that affect some achieved task-specific performance level. The model is divided into three primary but overlapping layers comprising a nature/nurture latent factor sector, an immediate task environment sector and a performance outcome sector.

The various nature or nurture attributes combine to create a unique human phenotype. A particular phenotype defines an individual’s observable trait

characteristics, including such things as morphology, biochemical and physiological properties and natural and learnt behaviours. The individual's phenotype would result from the expression of the person's genetic makeup as well as the influence of various environmental factors, including knowledge or skills development and prior experiences, and the interactions between these two major genetic or environmental forces. A particular phenotype leads to a potential capacity to perform a specific task. Differences in performance levels are then attributed to differences in human genetic make-up and/or developed skill levels (Understanding human performance, 2012).

Task demands or environmental factors and temporary human conditions are of particular importance in determining an individual's potential capacity to perform a given task at a given time. The immediate task environment can have either a positive or negative effect on potential performance capacity. In addition, increased task demands and poorly designed task environments can interact to depress potential human performance capacity as well. Temporary human conditions of the performer, such as fatigue and stress may also affect human performance negatively. In some instances, these temporary human conditions are induced by the specific demands of a task or the associated task environment. In other instances, a temporary human condition, such as lack of motivation, is endemic to the individual performer (Understanding human performance, 2012).

The final sector in the model is the actual or realised performance level achieved during the performance of a given task. Determining levels of acceptability of the task performance level without any predefined and in-place performance measurement system can prove difficult. The value of quantitatively measuring human performance is that such measures not only assist in objectively determining if required levels of acceptability are being achieved, but if they are not, then the same measure can be used for diagnostic purposes, helping to answer why the individual is not performing. Any attempt to improve the individual's performance must take into account all of these often competing and interacting variables (Understanding human performance, 2012).

The performance model outlined above provides a sound contemporary framework in guiding the design of performance measurement tools that are relevant in

organisational settings today. This is of particular relevance to the present study because it shifts the focus to the other pivotal leg of the research, that is, the work performance data.

2.2.3 Performance measurement framework

According to Nash and Poling (2012), when one measures performance, there must be a reason for the measurement. More importantly, the measurement should tie in with the company's overall strategy for success. Starting at the top of the organisation, one's key performance indicators (KPIs) are the measurements that set the stage for everything else one measures. KPIs should be indicators, not goals or objectives; they should be metrics that show how the company is performing. Furthermore, there should only be a few vital measurements that are used at this level (Nash & Poling, 2012).

The remaining metrics used throughout this organisation should tie into the KPIs, or should show individual progress or success. Examples of such metrics would be budget achievement, absenteeism rates, turnover data, overtime costs and customer satisfaction scores. The goal is to have a "common thread" between all metrics at each level, ultimately linked to the KPIs. The other measures at the lower levels should serve as an indicator of the relevant team or individual's progress. These individual measures should be held to a minimum since they are deemed excess or unnecessary processing in a lean organisation (Nash & Poling, 2012).

The measurement of work performance is recognised as one of the significant challenges that managers and researchers face (Murphy, 2008). The performance indicators used in performance measurement typically include the following (Hakala, 2008):

- *Quantity*. The number of units produced, processed or sold is an objective indicator of performance.

- *Quality*. The quality of work performed can be measured in many ways. The percentage work output that must be redone or is rejected is one such indicator.
- *Timeliness*. This relates to how fast work is performed.
- *Cost effectiveness*. This pertains to the cost of work performed. This should be used as a measure of performance only if the employee has some degree of control over the costs involved.
- *Absenteeism*. This refers to the percentage of time an employee is not at work.
- *Creativity*. It may be difficult to quantify creativity as a performance indicator, but in many white-collar jobs, this is vital. Supervisors and employees should keep track of creative work examples and attempt to quantify them.
- *Adherence to policy*. Deviations from policy indicate an employee whose performance goals are not well aligned with those of the organisation (Hakala, 2008).

Performance indicators should be assessed by some means in order to measure performance itself. There are various ways to assess performance, each with its own set of advantages and limitations. Some of the more common ways of assessing performance include the following (Hakala, 2008):

- *Performance appraisal by the line manager*. A manager or supervisor appraises the employee's performance and delivers the appraisal to the employee. The employee is not involved in the appraisal process resulting in a one-sided view of performance.
- *Self-appraisal*. The employee appraises his or her performance, in many instances, comparing the self-appraisal to the manager's appraisal. Self-appraisals can highlight discrepancies between what the employee and management think are important performance factors and provide mutual feedback for meaningful adjustment of expectations.
- *Peer appraisal*. Employees in similar positions appraise an employee's performance. This method is based on the assumption that co-workers tend to be most familiar with an employee's performance.

- *Team appraisal.* This type of appraisal is similar to peer appraisal in that members of a team, who may hold different positions, are asked to appraise each other's work and work styles.
- *Assessment centre.* The employee is appraised by professional assessors who may evaluate simulated or actual work activities. Assessment centres have the advantage of objectivity, which produces reviews that are not clouded by personal relationships with employees.
- *The 360 degree appraisal.* The employee's performance is appraised by everyone with whom she or he interacts, including managers, peers, customers and members of other departments.
- *Management by objectives (MBO).* The employee's achievement of objective goals set is assessed. The MBO process begins with action statements and at the review, progress towards objectives is assessed, and new goals are set.
- *Work samples as measures of job performance.* The employee's performance is appraised by a supervisor who observes employees while they perform their normal job tasks (Hakala, 2008).

The above theory clearly portrays the various components of performance measurement, and the levers available for employees to be fairly measured in alignment with their contribution to their company's overall strategy.

To outline the process followed by the organisation of focus in this study, the corporate strategy was compiled prior to the start of the financial year by the senior executive team. The balanced scorecard (BSC) objectives were then derived from this strategy. They measured performance as defined by their BSC objectives, and then finally took corrective action on the basis of the BSC objectives results in order to steer the organisation towards its strategic objectives. In addition, multisource or 360 degree feedback was requested in terms of the way in which the employees display the values of the organisation or conduct themselves when fulfilling the role in the organisation. The 360 degree feedback adds to the body of information, but in practice, does not affect the final job performance rating derived from the ratings of the objectives.

The next section outlines these two performance measurement tools.

2.2.3.1 Balanced scorecard (BSC) methodology

The BSC model was developed by Kaplan and Norton (1992) to address the use of both financial and nonfinancial measures during the corporate planning and performance measurement systems. It emphasises the need for an information set that covers all relevant areas of corporate performance measurement systems. The information the model requires includes financial (profitability) perspectives, and adds three more nonfinancial perspectives, namely customer satisfaction, internal efficiencies and innovation perspectives. These four perspectives balance performance measures and ensure that organisations think in terms of all four perspectives to prevent a situation in which improvements are made in one area to the detriment of another area (Khomba, Vermaak, & Gouws, 2011).

2.2.3.2 360 degree feedback

According to Guenole, Cockerill, Chamorro-Premuzic, and Smillie (2011), 360 degree feedback is a popular option for organisations wishing to implement performance assessment systems. Multiple raters – typically selves, superiors, peers and subordinates – rate employee performance on multiple performance dimensions or competencies. According to the first approach, agreement between the self-ratings and the ratings of others on targeted dimensions is examined, and the value of differences between self and others' ratings in dimension ratings is considered towards a measure of self-awareness (Guenole et al., 2011). Adopting the second approach, item scores are aggregated to form dimension scores, either within or across rater groups. These scores are used for feedback or are used in decision-making and validation studies (Guenole et al., 2011).

2.2.4 Implications of performance measurement

Measuring work performance helps a manager to manage performance. According to Butler (2011), performance management is part of a manager's daily function and should not be a quarterly event that frustrates everyone. In measuring performance,

a manager is effectively managing processes and people. It allows a manager to manage with a more structured approach documented in a framework, assisting managers to make a difference. Results are then analysed on the basis of factual information which assists management with more effective decision making. Excellent performance should then be rewarded and skills development focusing on expected performance is planned (Butler, 2011).

Butler (2011, p. 25) states the following in this regard:

Performance management in organisations “is a process (or journey) which measures the implementation of the organisation’s strategy. It is also a management tool to plan, monitor, measure, review and report on performance indicators to ensure efficiency, effectiveness and the impact of service delivery”.

By effectively measuring work performance, managers change from merely being supervisors to teachers, coaches and mentors and understand that happy employees perform better. Furthermore, there is acknowledgement that each team member is interdependent to ensure excellent service delivery. Employees will know exactly what they are working towards, challenges will be discussed and sufficiently addressed, best practices will be shared, performance will be reviewed timeously and corrective measures implemented and employees will be treated fairly (Butler, 2011). It also improves communication and relations with lower levels of staff and enhances teamwork so that everybody feels part of the team. This enables managers to develop improved or sound strategies and policies and to really reach their targets in order to ultimately improve service delivery (Butler, 2011).

2.2.5 Pitfalls of performance measurement and its utilisation

Many managers believe that performance management or the process involved in measuring work performance is time consuming or expensive to implement. This effectively results in artificially complying with the process (Butler, 2011). Possible

reasons could be that managers are not informed or do not fully understand the advantages of performance management (Butler, 2011).

Examples of artificial compliance could include the following (Butler, 2011): only one employee in the organisational unit is responsible for managing and reporting on performance; key performance indicators are developed by management in isolation and only for the sake of compliance; different sets of indicators are used in the corporate documents, depending on who is asking for the information and based on the purpose. These indicators are not aligned with strategies and are developed merely for the sake of having performance indicators; performance management is only attended to on an ad hoc basis when questions are raised by compliance authorities; and the performance management “system” is somewhere on a computer and the mindset that prevails is that it can generate reports that have been analysed by the system, without engaging human intervention and effective dialogue between managers and subordinates (Butler, 2011).

According to Obisi (2011), organisational performance and its resultant efficiency and effectiveness can only be achieved when individuals are continuously appraised and evaluated. Organisations cannot grow if individuals that work in the organisations are not deliberately encouraged and supported through genuine performance appraisal. The inability of organisations to install an effective performance appraisal strategy hinders them from achieving competitive advantage (Obisi, 2011).

In many organisations, appraisal processes are not systematic and regular, and are often characterised by personal influences. Such organisations often use confidential appraisal systems which tend to hinder objectivity and fairness. Often organisations ignore management by objectives and critical incidents, but focus instead on personal prejudices. Such practices are retrogressive because they affect the overall performance of the individual (Obisi, 2011). Furthermore, Obisi (2011) recommends the 360 degree appraisal method where an average of all appraisals is taken to arrive at the final appraisal outcome..

According to Obisi (2011), postappraisal counselling should also be included whereby the appraisal outcomes are analysed to explain strengths and weaknesses, and plans are also set for better future performance. Managers should stop paying less attention to the evaluation of their employees and should recognise that organisational training can only be identified from performance appraisal outcomes (Obisi, 2011). In conclusion, Obisi (2011, p. 97) states that “it needs to be remembered that performance appraisal is a means not an end.”

Zewotir (2012) conducted research to develop a technique that helps to measure the subjective effect that a given rater’s assessment will have on the performance appraisal of a given employee. In most evaluations, a rater will not have the opportunity to observe all possible ratee behaviours during the given evaluation period. As performance changes over time, raters who observe only a subset of behaviours being rated tend to base their evaluations on deficient information. This weakens the link between performance and the ratings of performance. Furthermore, observing different subsets of ratee behaviours introduces variation between raters and probably partly explains the low rater agreement between and within rater sources (Reb & Greguras, 2008). One of the main conclusions drawn from Zewotir’s (2012) study, is that there is a highly significant rater’s effect that needs to be properly accounted for when rewarding employees. Without this adjustment being made, any incentive scheme will ultimately fail in its intended purpose of improving employees’ overall performance (Zewotir, 2012).

Murphy (2008) noted that a dominant theme of research on performance evaluations over the past 75 years has been the need to improve the quality of performance ratings and, in particular, to assess and strengthen the link between job performance and the measurement thereof. Over this period, a number of rating scale formats have been proposed to impose structure on the rater’s judgments and make performance assessment easier and more reliable (Murphy, 2008). This continues to pose a major challenge for organisations. Testimony to this would be the high incidence of grievances lodged against managers for performance ratings that are not accepted by the employees being rated. Often employees believe that they are being rated too harshly by their managers who are perhaps too subjective in their judgement.

The next section deals with the theoretical integration of competencies and work performance.

2.3 INTEGRATION OF COMPETENCIES AND WORK PERFORMANCE

In discussing the literature on competencies, the researcher found that the trait theory has provided the foundation for major developments in occupational psychology: specific to this study is the FFM taxonomy which has led to a growing market for personality assessment instruments. This has largely been fuelled by increasing evidence to support the link between competencies and work performance. Research has shown that competency data can add much value through the entire life cycle of an employee's career in an organisation, also considering that the data needs to be utilised with the necessary training and sensitivity to avoid misuse of valuable information.

In reviewing the literature on work performance, it was learnt that there are many ways of measuring work performance. As a tool, substantial research exists on its power in mobilising organisations through effective application of performance management on an individual and team level.

Studies indicate that work performance across different jobs is not equally reliant on the personality of employees. Jobs that are more technical and structured are more dependent on employees being able to successfully apply knowledge and predetermined methods of executing tasks. However, as a dispositional predictor of motivation, personality traits do remain important (Gatewood, Feild, & Barrick, 2008).

The last 20 years have witnessed a major evolution in the way work has been traditionally perceived (Gatewood et al., 2008). This may be due to many factors: changes in information technology and outsourcing of work being two of the stronger influencers. It is evident that the trend of work becoming increasingly knowledge based will continue. As such, this heightens the reliance on cognitive ability among employees, placing equal emphasis on personality traits that are able to predict success in training and commitment to the employer. In an age where downsizing

and reorganisation in corporations are commonplace, there is a heavier reliance on self-managed teams as opposed to traditional managers who coordinate work outputs. Hence Gatewood et al. (2008, p. 595) suggest that team-specific personality traits that will become more desirable among employers are “agreeableness, extraversion (in some settings), and emotional intelligence”. It thus seems that the changing world of work is likely to increase the significance of personality traits as a predictor in most selection processes (Gatewood et al, 2008).

The statistical analysis in this study focused on the relationship between essential competencies identified using the SHL job analysis tool, the work profiling system (WPS) relying on input from existing branch managers as well as their line managers. These essential competencies were then used to generate PJM reports for the participants by matching these competencies to their relevant OPQ32r scores and VC1.1 and DC3.1 scores.

Extensive international research has been conducted on the predictive relationship between personality traits and work performance. O’Boyle, Humphrey, Pollack, Hawver, and Story (2011) found that emotional intelligence exhibited substantial importance in the presence of FFM and intelligence when predicting job performance. Zimmerman, Triana, and Barrick (2010) found that observer ratings of conscientiousness, emotional stability, leadership and interpersonal skills predicted work performance, team performance and academic performance among MBA students. Richard, Wu, and Chadwick (2009) found some support for a positive entrepreneurial orientation to performance relationship among chief executive officers of banks in the USA. Van Woerkom and Reuver (2009) reported that cultural empathy, open-mindedness and social initiative were found to have a positive effect on transformational leadership which, in turn, led to higher performance among managers working in an expatriate assignment. Dosajh and Gandhi (2008) found that stable, outgoing, socially bold and anxious or driven private sector bank managers are successful in their roles.

In response to Morgeson, Campion, Dipboye, Hollenbeck, Murphy & Schmitt (2007), Ones et al. (2007) summarised previously published meta-analyses in support of personality assessment. They explain how attitudes and behaviours predict

performance and outcomes in organisational settings. They were able to find hundreds of primary studies and dozens of meta-analyses conducted and published after the mid-1980s in strong support for using personality measures in staffing decisions. They concluded that the criterion-related validities of self-report personality measures are substantial. The Big Five personality variables as a set predict important organisational behaviours (e.g. job performance, leadership, work attitudes and motivation). Hence they strongly believe that the accumulated evidence supports the use of self-report personality scales in organisational decision making, including personnel selection. According to Ones et al. (2007), there is considerable evidence to suggest that both general cognitive ability and broad personality traits (e.g. conscientiousness) are relevant to predicting success in a wide array of jobs. Beyond their criterion-related validity for overall job performance and its facets, self-report personality measures are useful in understanding, explaining and predicting significant work attitudes (e.g. job satisfaction) and organisational behaviours (e.g. leadership emergence and effectiveness, motivation and effort). They are confident that any theory of organisational behaviours that ignores personality variables would be incomplete. Furthermore, they believe that any selection decision that does not take the key personality characteristics of job applicants into account would be deficient (Ones et al, 2007).

In South Africa, there are limited research findings on the role of competencies or personality traits in predicting job performance. Blignaut (2011) found conceptual, controlling, data rational and modest as strong predictors of job performance among customer service centre agents in banking, with negative correlations on competitive, outgoing and variety seeking. Nicholls, Viviers, and Visser (2009) reported structured and results-oriented as moderately strong predictors of performance among call centre operators in a communications company. Nzama et al. (2008) could only find interview ratings and the Cognitive Process Profile (CPP) verbal abstraction to display statistically significant correlations with work performance among managers in a retail organisation. Sutherland, De Bruin, and Crous (2007) found a curvilinear relationship between empowerment and performance among information technology professionals. Coetzee, Martins, Basson, and Muller (2006) reported positive relationships between personality preferences, self-esteem and emotional competence as predictors of the effectiveness of South African leaders in the

manufacturing industry.

There appears to be a significant relationship between personality traits and job performance. Although some research has been conducted in the banking industry internationally, no research on this relationship could be found for bank managers in South Africa. In the light of the growing importance of bank branch outlets across all markets, further research is required to establish the relationship between competencies and performance in the context of banking management or management in financial institutions.

2.4 CHAPTER SUMMARY

This chapter focused on conceptualising competencies and work performance. Each of the constructs was discussed with reference to its general orientation, definitions, components or framework, underlying logic and application in an organisational context and any pitfalls in such application at the workplace. This chapter concluded with a theoretical integration of competencies, personality and work performance and an investigation into the relationships between them. Chapter 3 contains the research article for this study and reports on the research process and findings.

CHAPTER 3: RESEARCH ARTICLE**COMPETENCIES AS A PREDICTOR OF WORK PERFORMANCE FOR BRANCH MANAGERS IN A BANKING INSTITUTION**

DEEPA PEMA-MISTRY

*Department of Industrial and Organisational Psychology**Unisa***ABSTRACT**

The aim of the research was to investigate the predictive relationship between competencies and work performance in a group of 95 branch managers. The study was conducted in the context of the banking industry, where a far superior level of skills is expected of branch managers than that which has traditionally been accepted. Identified essential competencies for a branch manager were measured against the Occupational Personality Questionnaire (OPQ32r) (SHL, 2009a) scores. Second-order Person-Job Match (PJM) (SHL, 2009b) reports were generated in combination with ability test results. Performance data for three years were gathered for correlation and regression analyses to be conducted. Deciding and initiating action, Leading and supervising, Planning and organising, Delivering results and meeting customer expectations, Achieving personal work goals and objectives and Entrepreneurial and commercial thinking were competencies that indicated positive correlations with work performance. The regression model summary indicated significance when using all essential competencies combined against the overall criterion score.

Background

In 2011, 252 respondents from 126 institutions worldwide responded in a Corporate Executive Boards survey, which in the current environment, indicated that the importance of branch outlets is increasing across all markets (CEB, 2011). Bank branches are still extremely important for customers and thus for the results of the business. Branch managers are by far deemed to be the most significant factor driving branch performance among banking institutions (CEB, 2011).

A Booz Allen Hamilton study of more than 4 000 bank branches globally found that only 5 to 10% of branch managers demonstrated consistent top-quartile performance. Those branch managers delivered three times the growth of their local competitors (Hyde & McMahon, 2007).

The way customers interact with banks is evolving. Although the total number of transactions performed through the physical network is trending down, they are becoming increasingly complex (“high volume/low value” to “high value/low volume”). Hence the need to build agility into the branch manager model will certainly increase according to a senior retail banking official (Personal communication, 6 April 2012). Investigations conducted by the institution reveal that a great banking leader possesses the following capabilities (Hay Group, 2009):

- Displays external insight in understanding the market opportunity and internal insight in understanding all customer offerings being sold or serviced in the branch. A clear vision and an action plan for the branch would be understood and executed by all.
- Has the ability to grow people and performance through consistently providing straight-forward and constructive feedback, and builds a team with diverse styles and skills.
- Is authoritative and accessible as a leader in the branch and in the community, taking full ownership of the customer experience offering of the branch.
- Mitigates and manages risk, fraud and losses in the branch, and plans, organises and manages resources on an ongoing basis so that the branch operates smoothly.

It is clear from the above that a special blend between personality, skill and competence is required to fulfil a branch manager role successfully (Personal communication, 6 April 2012). Set against a landscape of a struggling economy and overall budgetary constraints (Smith, 2011), heightened emphasis is placed on making use of the right screening tools in the recruitment process, thereby serving as accurate predictors for future job success (Smith, 2011). A mismatched branch manager would simply be too costly in terms of poor management style, dissatisfied

staff, high turnover, poor customer service, loss of customers and negative publicity (Dosajh & Gandhi, 2008).

For many years, the banking institution in which this study was undertaken, has invested substantially in psychometric assessments as a source of information for the purposes of recruitment. Recruitment consultants and psychometrists have undergone the necessary training to enhance reliability and validity in utilising the selection battery. Human resource consultants and managers alike have become reliant on psychometric assessments to inform their recruitment decisions, and they view it as a valuable component in the process. However, in validating the selection battery in use, no study has focused on the use of the OPQ, ability tests or PJM scores as a competency predictor for the future work performance of banking branch managers. With the shift in the organisation's strategy and its greater reliance on branch managers in increasing market share, focus on competencies as constructs became more relevant for the purposes of this study. The organisation in which this study was conducted utilises a competency framework as a basis for most of their human resources practices.

Hence the purpose of this study was to ascertain whether competencies can be used as an effective predictor of work performance. This would validate the researcher's hypothesis, and strengthen the case to rely on competency assessments and ability tests when predicting future job success in the recruitment of branch managers.

Competencies

Psychologists tend to think about individuals in terms of ability, motives and traits. Human resource specialists, on the other hand, talk about individual differences in terms of capability, competency, experience, know-how, potential and proficiency (Furnham, 2008). Most organisations now have competency frameworks that are used to help human resource specialists make decisions about appraisal, recruitment, selection and training. Trait theorists might argue that these lists are intuitive taxonomies in modern business language that represent the Big Five personality factors lexically (Furnham, 2008). On the other hand, many claim that well-designed, behaviourally anchored competencies relating to certain families of jobs provide very useful data for practitioners trying to both understand and select for

certain jobs (Furnham, 2008). The organisation in which this study was conducted utilises a competency framework as a basis for most of their human resources practices.

According to Bartram and Brown (2005), competencies are defined as sets of behaviours that are instrumental in the delivery of desired results (Bartram et al, 2002 in Bartram & Brown, 2005). Defining a competency in relation to its significance for performance at work, the UCF provides a single framework for making predictions from measures of competency potential (ability, personality and motivation) to ratings of actual work performance (Bartram & Brown, 2005).

In exploring change dynamics and related leadership competencies, von Eck and Verwey (2007) indicated that it is clear that distinctions are made between competence, competency and capability. They maintain that there is a relationship between the three and that capability forms the platform on which competencies are built, and on which competence is built in turn (von Eck & Verwey, 2007).

Rowe (1995, p. 12) defines competency as “the behaviour by which competence is achieved i.e. a description of *how* people do it. Competencies therefore refer to the behaviours adopted in competent performance.” Adding to Rowe’s definition, Stuart and Lindsay (1997) state that competencies are built up of smaller components which are termed elements of competencies. These elements are skills, knowledge, characteristics, traits and abilities (Stuart & Lindsay, 1997).

According to Brandao, Borges-Andrade, Puente-Palacios and Laros (2012), although competency constitutes a complex and multifaceted concept, it is traditionally understood as the individual’s capability to perform a role in a particular professional context. It is derived from personal attributes, such as knowledge, skills and attitudes which become evident through the individual’s behaviour at work. Competencies are revealed as people behave in the professional situations they come up against. They are generally described in terms of behavioural patterns, which represent the organisation’s expectations regarding the performance of its employees.

The main advantage of the competency modelling approach seems to be its success

in building models for organisation-wide integrated human resource management.

This study focuses on the specific requirements of the job as determined by a job analysis, and how the psychometric instruments (in this case the OPQ32r, the VC1.1 and the DC3.1 assessments) predict success in the job.

After following the job analysis process, the competency framework should be an accurate portrayal of the competencies needed to fulfil the requirements of the branch manager positions. The question, however, is to what extent the candidates who meet the requirements of the job and are recruited, go on to be successful branch managers. This study thus moves beyond the job analysis per se to assess the predictive validity of this job analysis.

The competency profile that emerged from the job analysis is a direct function of the OPQ32r and the 32 dimensions it measures. It disperses the 20 competencies according to the varying criticality levels of each competency in fulfilling the requirements of the job. Criticality is a function of how important a particular activity is to meeting the requirements of the job and the amount of time spent doing it. The participant's score on the various factors of the OPQ32r are then translated into the competency language; the respective importance levels according to the job analysis model are applied and interpreted in terms of the Universal Competency Framework job profile. These identified essential competencies were then used to generate PJM reports for the participants by matching these competencies to their relevant OPQ32r scores and VC1.1 and DC3.1 scores.

For the purposes of this literature review it is necessary to conceptualise personality and abilities, and how they lend themselves to the conceptualisation of competencies.

According to Laher (2007), most personality theories can be said to fall into one of six theoretical approaches, namely psychodynamic, cognitive/social learning, humanistic/existential, behavioural genetics, the radical behaviourist approach and trait theory. The trait theory is of particular relevance to this study and will thus be explored in greater detail. According to Laher (2007, p. 83), personality can be

described as follows in terms of the trait theory as a framework:

Just as an individual organism begins life with a limited subset of its species' genes and the trait potentials they subsume, an individual is born with a number of potential personality styles. Over time, the salience of these trait potentials – not the proportion of the genes themselves – becomes differentially prominent as the organism interacts with its environment. Thus, with time, as the individual adapts to his or her environment, different personality styles become differentially prominent and latent potentialities are shaped into adaptive and manifest styles of perceiving, feeling, thinking and acting.

The psychologist, Gordon Allport, considered one of the founders of the trait theory, classified traits according to the following three levels (Allport & Odbert, 1936): *cardinal traits* that dominate an individual's life, *central traits* that are the major characteristics one may use to describe another person *and secondary traits* that are sometimes related to attitudes or preferences and often appear only in certain situations or under specific circumstances (Allport & Odbert, 1936).

In terms of a more contemporary view on traits, Augustine and Larsen (2012) postulate that there is no universally agreed upon definition of a personality trait. They explain that self-report ratings of personality may capture the individual's wish to be viewed by others or represent a summary of a relatively complex pattern of behaviour. Trait ratings may also capture the average or expected value of behaviour during a given period of time (Augustine & Larsen, 2012).

According to McCormick and Burch (2008), the five-factor model (FFM or Big Five) is generally accepted as the predominant taxonomy for examining the relationship between trait personality and occupational criteria. The FFM places the emphasis on individual personality traits with the five primary personality factors being (1) neuroticism, (2) extroversion, (3) openness to experience, (4) agreeableness, and (5) conscientiousness (Costa & McCrae, 1992). This is particularly relevant to the present study because the OPQ is based on trait theory, and measures the Big Five factors, also extending beyond to a broader personality domain than the FFM (SHL,

1999).

In exploring the predictive validity of cognitive ability tests, Bertua, Anderson and Salgado (2005) conducted a meta-analysis on the validity of tests of general mental ability (GMA) and specific cognitive abilities for predicting job performance and training success in the UK. Primary studies were also coded by occupational group and by the type of specific ability test. Results indicated that GMA and specific ability tests are valid predictors of both job performance and training success (Bertua et al., 2005).

Work performance

In a study conducted by Nzama, De Beer and Visser (2008, p. 41), work performance was defined as “a multidimensional construct of how well one performs tasks at work, the initiative taken and how one solves problems – and was measured in terms of a final rating score obtained for each participant.” According to Langdon (2000), this model portrays a multidimensional view of work performance, realistically depicting an employee’s impact at different levels, such as the business unit, processes, individual jobs and work groups. Ultimately, this approach makes for a more meaningful performance review, both for the employee and the organisation, as the discussion focuses on the employee’s performance holistically (Langdon, 2000).

Over the years theorists, have broken down the concept of performance into different dimensions. The changes are indicative of changes experienced by organisations and work roles across the times. Vroom (1964) viewed performance as a combination of ability and motivation. Dessler (1983) suggested that work performance is a measure of how well an employee meets the standards that are required on a specific job. Ivancevich and Matteson (1996) described work performance as the quality and quantity of human output necessary to meet work goals agreed upon between employees and their managers. It is therefore clear that performance can only be evaluated as good or bad if a standard of performance has been agreed upon between employees and their managers.

According to Nash and Poling (2012), when one measures performance, there must be a reason for the measurement. More importantly, the measurement should tie in with the company's overall strategy for success (Nash & Poling, 2012).

Starting at the top of the organisation, employees' key performance indicators (KPIs) should serve as the measures for outputs delivered. Such KPIs should be aligned to the company's strategy, and similarly, should be cascaded down to employees reporting in lower levels of the company. Such alignment across interdependent employees and teams serves to engender transparency in accountabilities and clarity in roles fulfilled across the organisation, provided that managers utilise a performance management framework to develop staff in accordance with driving the organisational goals (Nash & Poling, 2012). Excellent performance should then be rewarded and skills development focusing on expected performance should be planned (Butler, 2011).

Research in support of this relationship could not be found for bank managers in the South African context. Whilst research referred to below points to a distinct link in other sectors, this highlights the need for research focusing on branch managers in South African banks.

Integration of competencies and work performance

A basic assumption for a recruiting model is a sound job analysis (Cascio, 1998; SIOPSA, 1998). The operationalisation of job analysis can be traced back to McCormick (1959) who first coined the term job component validity. This term was used to describe an inference of test validity given the empirical relationships between test constructs and job analytic data.

In this study, a job analysis was done using the Work Profiling System (SHL, 2001) in order to crystallise predictors in terms of the competency-based framework and the PJM report. This methodology is essentially a competency profiling system which complements other forms of job analysis (Shippmann et al., 2000). According to Kurz and Bartram (2002) it differs from job analysis in that the focus of the former is on the desirable and essential behaviours required to perform a job, while the latter

competency profiling method provides a person specification, and the job analysis provides a job description. The main advantage of the competency modelling approach seems to be its success in building models for organisation-wide integrated human resource management. This study focuses on the specific requirements of the job as determined by a job analysis, and how the psychometric instruments (in this case the OPQ32r, the VC1.1 and the DC3.1 assessments) predict success in the job.

After following the job analysis process, the competency framework should be an accurate portrayal of the competencies needed to fulfil the requirements of the branch manager position. The question, however, is to what extent the candidates who meet the requirements of the job and are recruited, go on to be successful branch managers. This study thus moves beyond the job analysis per se to assess the predictive validity of this job analysis.

Studies indicate that work performance across different jobs is not equally reliant on the personality of employees. Jobs that are more technical and structured are more dependent on employees being able to successfully apply knowledge and predetermined methods of executing tasks. However, as a dispositional predictor of motivation, personality still remains important (Gatewood, Feild, & Barrick, 2008).

It is evident that the trend of work becoming increasingly knowledge-based will continue (Gatewood et al., 2008). As such, this heightens the reliance on cognitive ability among employees, placing equal emphasis on personality traits that are able to predict success in training and commitment to the employer (Gatewood et al., 2008). Nowadays, there is greater reliance on self-managed teams as opposed to traditional managers who coordinate work outputs (Gatewood et al., 2008). These authors (2008, p. 595) thus suggest that the team-specific personality traits that will become more desirable amongst employers are “agreeableness, extraversion (in some settings), and emotional intelligence”.

There is extensive international research on the predictive relationship between personality and work performance. O’Boyle, Humphrey, Pollack, Hawver and Story (2011) found that emotional intelligence exhibited substantial importance in the

presence of FFM and intelligence when predicting work performance. Zimmerman, Triana, and Barrick (2010) found that observer ratings of conscientiousness, emotional stability, leadership and interpersonal skills predicted work performance, team performance and academic performance among MBA students. Richard, Wu, and Chadwick (2009) found some support for a positive entrepreneurial orientation to performance relationships among chief executive officers of banks in the USA. Van Woerkom and Reuver (2009) reported that cultural empathy, open-mindedness and social initiative were found to have a positive effect on transformational leadership which, in turn, led to higher performance among managers working on an expatriate assignment. According to Dosajh and Gandhi (2008), stable, outgoing, socially bold and anxious or driven private sector bank managers are successful in their roles. Ones et al. (2007) pointed out that there is considerable evidence to suggest that both general cognitive ability and broad personality traits (e.g. conscientiousness) are relevant to predicting success in a wide array of jobs.

In South Africa, limited research findings exist on the role of personality or competencies in predicting work performance. Blignaut (2011) found conceptual, controlling, data rational and modest to be strong predictors of work performance among customer service centre agents in banking, with negative correlations on competitive, outgoing and variety seeking. Nicholls, Viviers and Visser (2009) reported structured and results oriented as moderately strong predictors of performance among call centre operators in a communications company. Nzama et al. (2008) could only find interview ratings and the Cognitive Process Profile (CPP) and verbal abstraction, to display statistically significant correlations with work performance among managers in a retail organisation. Sutherland, De Bruin and Crous (2007) reported a curvilinear relationship between empowerment and performance among information technology professionals. Coetzee, Martins, Basson, & Muller (2006) found positive relationships between personality preferences, self-esteem and emotional competence as predictors of the effectiveness of South African leaders in the manufacturing industry.

In light of the growing importance of branch outlets across all banking markets, further research is required to establish the relationship between competencies, personality factors and performance in the context of banking management in South

Africa.

Research approach

The researcher conducted a descriptive study (Babbie & Mouton, 2009) in order to accurately describe the relationships between competencies and work performance. The study focused on one banking institution, and hence a case study approach was utilised to conduct nonexperimental research (Babbie & Mouton, 2009). Quantitative research entails the collection of some type of numerical data to answer a given research question (Babbie & Mouton, 2009). These designs are also sometimes known as correlational, passive, noninteractive, naturalistic and observational research designs. In nonexperimental studies, independent variables are often called predictor variables, while dependent variables are often referred to as criterion variables (Christensen, 1994). In this research study, work performance was confined to the performance ratings recorded for the participants. Central to this is the PJM model. Hence the hypotheses below were formulated on the basis of the PJM model in the context of competency suitability for acceptable work performance.

The research hypothesis led to the formulation of the following statistical hypothesis: There are statistically significant correlations between competencies and work performance.

Based on the essential competencies identified for the branch manager role during the job analysis phase, subhypotheses were also formulated.

- *Subhypothesis 1.* Participants with higher performance ratings score higher on the competency of Deciding and initiating action than participants with lower performance ratings.
- *Subhypothesis 2.* Participants with higher performance ratings score higher on the competency of Leading and supervising than participants with lower performance ratings.

- *Subhypothesis 3.* Participants with higher performance ratings score higher on the competency Planning and organising. The researcher expected those with lower performance ratings to score lower on the competency, Planning and organising.
- *Subhypothesis 4.* Participants with higher performance ratings score higher on the competency, Delivering results and meeting customer expectations. The researcher expected those with lower performance ratings to score lower on the competency, Delivering results and meeting customer expectations.
- *Subhypothesis 5.* Participants with higher performance ratings score lower on the competency, Coping with pressures and setbacks. The researcher expected those with lower performance ratings to score lower on the competency, Coping with pressures and setbacks.
- *Subhypothesis 6.* Participants with higher performance ratings score higher on the competency, Achieving personal work goals and objectives. The researcher expected those with lower performance ratings to score lower on the competency, Achieving personal work goals and objectives.
- *Subhypothesis 7.* Participants with higher performance ratings score higher on the competency, Entrepreneurial and commercial thinking. The researcher expected those with lower performance ratings to score lower on the competency, Entrepreneurial and commercial thinking.

The method used to test the general hypothesis and the subhypotheses is outlined below.

Research method

Research participants

The population consisted of approximately 500 branch managers spread nationally among the bank's branches. Purposive sampling (Freedman, 2005) was used,

because all 101 branch managers based in the bank's key focus branches, typically referred to as Category 1 and Category 2 branches, constituted the sample. Category 1 and Category 2 branches were those branches that had been identified as primary branches in attracting maximum value clients in line with the revised customer value segmentation model. Of this sample, performance data could only be traced for 95 participants. This could be due to transfers to other roles in the bank or terminations arising from resignations, dismissals, boarding owing to illness or disability or deaths in the year after the sample was assessed. This research focused on the individual as the unit of analysis.

Table 1 depicts the descriptive statistics for age, gender, race and education respectively. Table should not spread over 2 pages

Table 1: Biographic variables of the sample (n=95)

	Category	Frequency	%
Age	22-27	24	26
	28-48	48	50
	49-61	23	25
	Minimum	22	-
	Maximum	61	-
	Mean	38,15	-
	Standard Deviation	10,05	-
Gender	Female	66	69,50
	Male	29	30,50
Race	Black	33	34,70
	White	49	51,60
	Indian	11	11,60
	Coloured	2	2,10
Education	Postgraduate qualification	6	6,30
	Degree or 3-year diploma	14	14,70
	Post-matric certificate	36	37,90
	Grade 12	38	40

According to the descriptive statistics, the mean age of the participants was 38 years, 66% of the participants were female, 49% of the participants were white and 38% of the participants had a Grade 12 as their highest education level.

Measuring instruments

Competency measures

The measurement instruments utilised in the research study to measure competencies were the Occupational Personality Questionnaire (OPQ32r) (SHL, 2009a) in combination with ability tests. The PJM report (SHL, 2009b) is a second-order output based on the OPQ32r (SHL, 2009b), the Verbal Reasoning ability test (VC1.1) scores and the Diagrammatic Series ability test (DC3.1) scores (SHL, 1991). The PJM score is then used as a measure of person-job match fit and represents the independent variable.

The OPQ32r was developed on the basis of the trait theory of personality (SHL, 2009a). It uses an occupational model of personality, which describes 32 dimensions or factors of the individual's preferred style of behaviour at work (SHL, 2009a). The OPQ32r results describe personality across the following four domains or factors: relationships with people, thinking styles, feelings and emotions and dynamism, which are related to sources of energy (SHL, 2009a). The OPQ32r results provide users with a clear framework for interpreting complex patterns of personality utilising collections of scales relating to different aspects of behaviour and work-relevant dimensions that predict workplace competence (SHL, 2009a). The OPQ32r utilises the forced-choice format that has been shown to successfully reduce uniform response biases, produce greater operational validity coefficients and provide an accurate indication of absolute trait standing (Bartram, 2007; Christiansen, Burns & Montgomery, 2005).

This study focuses on the specific requirements of the job as determined by a job analysis, and how competencies as measured by the psychometric instruments (in this case the OPQ32r, the VC1.1 and the DC3.1) predict success in the job. The assumption would be that after following the job analysis process, the competency framework should be an accurate portrayal of the competencies needed to fulfil the requirements of the branch manager position as defined by the job profile of the branch manager role.

The PJM report uses the competency dimensions from the SHL Universal Competency Framework (UCF)[™] (SHL, 2004). This framework sets out the key behaviours driving performance across a wide range of jobs and organisations and is based on extensive occupational psychology research (SHL, 2004). The report utilised in the research study was the Person-Job Match (PJM) report, which is a second-order output of the following measuring instruments: Occupational Personality Questionnaire (OPQ32r) (SHL, 2009), the Verbal Reasoning ability test (VC1.1) and the Diagrammatic Series ability test (DC3.1) (SHL, 1991). These scores were used as a measure of person-job match fit, the independent variable.

Table 2: Essential branch manager competencies: Universal Competency Framework (UCF20™)

Factor 1: Leading and deciding		
Takes control and exercises leadership. Initiates action, gives direction and takes responsibility.		
1.1	Deciding and initiating action	Making effective decisions even under difficult circumstances, taking responsibility and showing initiative.
1.2	Leading and supervising	Providing others with clear direction, establishing standards of behaviour for others and motivating and empowering individuals.
Factor 6: Organising and executing		
Plans ahead and works in a systematic and organised way. Follows directions and procedures. Focuses on customer satisfaction and delivers a quality service or product to the agreed standards.		
6.1	Planning and organising	Setting clear objectives, planning activities well in advance and managing time effectively.
6.2	Delivering results and meeting customer expectations	Focusing on customer needs and satisfaction, setting high standards for quality and quantity and consistently achieving set goals.
Factor 7: Adapting and coping		
Adapts and responds well to change. Manages pressure effectively and copes well with setbacks.		
7.2	Coping with pressures and setbacks	Working productively in a stressful environment, controlling emotions in difficult situations and handling criticism effectively.
Factor 8: Enterprising and performing		
Focuses on results and achieving personal work objectives. Works best when work is related closely to results and the impact of personal efforts is obvious. Shows an understanding of business, commerce and finance. Seeks opportunities for self-development and career advancement.		
8.1	Achieving personal work goals and objectives	Accepting and tackling demanding goals, working longer hours when necessary and identifying opportunities for progressing to more challenging roles.
8.2	Entrepreneurial and commercial thinking	Keeping up to date with competitor information and market trends, identifying business opportunities and demonstrating financial awareness.

Source: SHL Group plc (2004, p. 1)

The PJM report is based on the essential competencies identified for the branch manager role from the UCF20 (Table 2). The PJM report compares the person's likely performance against these essential competencies. Likely performance is based on competency potential scores derived from the person's responses to the personality questionnaire, the OPQ32r (SHL, 2009b). The ability test results are also used in determining competency potential scores (SHL, 2009b). The Overall Competency Potential Match Score is a weighted score based upon the criticality of

the competencies assessed and the person's scores on competency potential measures derived from the OPQ32r and the ability tests (SHL, 2009b). Hence each participant's PJM results reflect a broader view of his/her potential for the branch manager role (i.e. competency potential across all 20 dimensions of the UCF) (SHL, 2009b).

Work performance (criterion) measures

The balanced scorecard (BSC) performance ratings and the 360 degree feedback were used to obtain ratings of work performance in the biannual performance appraisal discussion.

The BSC ratings were based on the branch managers' monthly performances in terms of the BSC measurements. This performance measurement incorporated the achievement of financial targets contracted, customer satisfaction indicators, risk and operations management factors and the staff management practices followed. By design, the branch manager's biannual performance rating should represent the average rating he/she obtained during the six-month period that was measured.

The 360 degree feedback was used to assess the branch managers' personal, interpersonal and team behaviour. This rating was based on biannual feedback from colleagues, customers and supervisors to ensure objectivity in the measurement and avoid rater errors.

The ratings branch managers obtained in their performance appraisal served as the criterion measure for work performance in this research. This performance appraisal consisted of the rating each individual obtained on his/her objectives. Objectives were determined on the basis of the branch managers' outputs as derived from the job description. Ratings on the objectives are determined by the employee and their supervisor during their biannual performance appraisal discussion. The following objectives were used: deliver on the performance of the branch; deliver and maintain high levels of customer satisfaction; deliver on the governance and regulatory compliance in the branch; manage the delivery of branch staff; self- development; and adherence to and living the organisation's values.

Procedure

For the purposes of this research study, existing data were retrieved in the form of PJM reports for the sample population. These were originally generated after the participants had completed the OPQ32r (SHL, 2009b), VC1.1 and DC3.1 (SHL, 1991) using paper-and-pencil instruments. These assessments were electronically scored to generate OPQ profiles for each participant. Once generated, these were combined with the ability test scores to produce PJM reports per participant. These were matched against performance records for each participant for the preceding six performance periods, namely 2009 (half and final year), 2010 (half and final year) and 2011 (final year) respectively. Owing to system issues, it was not possible to obtain half-year 2011 performance ratings. The researcher was granted consent from the bank being studied to utilise the results of the study for research purposes, while adhering to the confidentiality clause outlined in the agreement.

To ensure alignment across different managers (raters) of the participants, forums are held in each regional area to ensure that there is fairness and consistency across all work performance ratings. These meetings are usually opened with a discussion of the business unit's results. If the business results were good, more high ratings can be expected, but if the business unit's results were poor, it would be unreasonable to have a high number of "A" ratings. After discussing the provisional ratings distribution achieved by each team, typical performance standards met by the direct reports (participants) are discussed with each performance rating. Top performers and poor performers are also discussed, and specific actions determined for these performers.

Statistical analysis

In this study descriptive, correlational and regression statistics were used.

Table 3 provides the rating scale used in the measurements/ratings. For the purposes of the statistical analysis ratings, A, B+, B, C, D, N/A (not applicable) and TSTR (too soon to rate) were converted as follows:

- A = 5

- B+ = 4
- B = 3
- C = 2
- D = 1
- N/A = treated as missing values
- TSTR = treated as missing values

Table 3: Performance management rating scale

Rating	Performance descriptors
A	Exceptional performance: significant outperformance in delivery against objectives, serves as a role model for behaviours aligned to the bank's values, and is commanding in his/her role.
B+	Exceeds expectations: Exceeds performance expectations most of the time, consistently demonstrates behaviours aligned to the bank's values, and is becoming commanding in his/her role.
B	Meets expectations: Meets performance expectations most of the time, consistently demonstrates behaviours aligned to the bank's values, and is becoming commanding in his/her role.
C	Inconsistent performance: Performance against objectives is below expectations, demonstrates some of the behaviours aligned to the bank's values, will need coaching to return to good performance, and always reflects a need to improve.
D	Unsatisfactory performance: Meets a low proportion of objectives (i.e. delivers no or minimal results), does not demonstrate all the behaviours aligned with the bank's values, and will need to significantly accelerate his/her performance to reach good performance.
N/A	Not applicable: Individuals with special circumstances and an insufficient record of performance for the relevant performance year for any assessment to be made (e.g. worked less than three months).
TSTR	Too soon to rate: Joined the bank in the three to six months prior to the performance appraisal period.

Nonparametric statistical procedures were employed in the data analysis to cater for the small sample size and data that may not have been distributed normally. In order to investigate the normal distribution of the sample data, measures of skewness and

kurtosis were included in this study by means of the Pearson skewness coefficient test.

Descriptive statistics

In the context of the research, the predictive relationship between the essential competencies of the branch manager and work performance was analysed at an individual level of analysis. Descriptive statistics (Howell, 1995) were used to determine the competencies and degree of work engagement. The mean, minimum and maximum values, standard deviations, skewness and kurtosis are reported below.

RESULTS

Table 4 contains the means, standard deviations, skewness and kurtosis for the essential branch manager competencies as identified in the UCF20.

Table 4: Descriptive statistics of the essential competencies (UCF20)

	N	Minimum	Maximum	Mean	Std.	Skewness	Kurtosis	Std.
					deviation			
	statistic	error						
UCF1.1 Deciding and initiating action	95	1	10	5.72	1.56	.07	.69	.49
UCF1.2 Leading and supervising	95	1	10	5.60	1.72	-.37	.70	.49
UCF6.1 Planning and organising	95	1	9	5.40	1.60	-.38	.26	.49
UCF6.2 Delivering results and meeting customer expectations	95	1	9	6.00	1.74	-.58	.22	.49
UCF7.2 Coping with pressures and setbacks	95	1	10	5.24	1.91	-.01	-.44	.49
UCF8.1 Achieving personal work goals and objectives	95	1	9	5.00	1.66	-.13	-.20	.49
UCF8.2 Entrepreneurial and commercial thinking	95	1	8	5.11	1.58	-.16	-.50	.49
Valid N (listwise)	95							

According to table 4, the distributions did not deviate substantially from the normal distribution. The absolute values of the skewness and kurtosis statistics were less than 1 in all instances, with skewness ranging from -0.59 to 0.07 and kurtosis from -0.50 to 0.70. A skewness value of zero implies a normal distribution. The

significance of the skewness value is assessed taking into account the standard error for skewness, which is determined by calculating the square root of 6 divided by sample size. As an estimate, when the skewness result is less than two times its standard error, symmetry is implied (McNees, 2008). Kurtosis is another view of distribution of scores. Short and thick tails refer to peakedness while long and thin tails refer to flatness of distribution (McNeese, 2008). The standard deviations for the essential competencies were between 1.56 and 1.91 for the total group.

Table 5 indicates the performance ratings for the specific performance periods.

Table 5: Descriptive statistics of the performance rating criteria

	N	Minimum	Maximum	Mean	Std.	Skewness	Kurtosis		
					deviation			Std.	Std.
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	error	Statistic	error
H2009	89	2.00	5.00	3.57	1.06	.41	.26	-1.36	.51
F2009	94	2.00	5.00	3.81	1.05	.17	.25	-1.73	.49
H2010	91	2.00	5.00	3.75	.97	-.14	.25	-1.05	.50
F2010	94	1.00	5.00	3.89	1.04	-.60	.25	-.33	.49
F2011	92	1.00	5.00	3.70	.99	-.46	.25	-.20	.50
Criterion	95	2.33	5.00	3.72	.79				
Average									
Valid N	82								
(listwise)									

The performance periods referred to above include the following: half year 2009 (H2009 for January–June 2009); final year 2009 (F2009 for January–December 2009); half year 2010 (H2010 for January–June 2010); final year 2010 (F2010 for January–December 2010); and final year 2011 (F2011 for January–December 2011). Owing to system issues, the researcher was unable to retrieve performance data for the half year 2011. Each participant's rating score represented an average of the ratings across the six objectives in their respective performance plan. The performance rating results indicate that the distributions did deviate from the normal distribution in one instance. The absolute value of the kurtosis statistic was more than 1 in 2009 and 2010 (McNeese, 2008). The standard deviations for the total group on the performance ratings were between 0.99 and 1.05.

In comparing the performance ratings for 95 participants for each performance period, the interquartile range was analysed by generating a box-and-whisker plot for each performance period. By plotting the first and third quartile and comparing the median and the spread for each performance period, the spacings between the different parts of the box indicate the degree of dispersion (spread) and skewness in the data, and identify outliers (Sekaran, 1992). It should be noted that although the outliers in the criterion data were investigated, no extreme outliers were identified for any of the criterion data.

The consistency of the performance ratings over the years was investigated by means of the kappa analysis. A statistical measure of interrater reliability is Cohen's kappa which generally ranges from 0 to 1.0 (although negative numbers are possible) where large numbers mean better reliability, and values near or less than 0 suggest that agreement is attributable to chance alone (Elliott & Woodward, 2007). The kappa analysis in this research study indicates that there was only fair agreement between 2009 and 2010, where $\kappa = 0.23$. There was slight agreement between 2009 and 2011, where $\kappa = 0.17$. Yet again there was only fair agreement between 2010 and 2011, where $\kappa = 0.23$. This measure of agreement, while statistically significant, is not that convincing. Most statisticians prefer for kappa values to be at least 0.6, and most often higher than 0.7 before claiming a satisfactory level of agreement.

However, there was an increase in the percentage of employees who obtained ratings of 4 and 5 from 2009 to 2011. The percentages of those who obtained performance ratings of 4 and 5 were as follows: H2009 (33.7%), F2009 (42.6%), H2010 (57.1%), F2010 (63.8%) and F2011 (59.8%).

Relationships between the performance ratings for the different performance periods were investigated. This matrix of intercorrelations is reported in table 6.

Table 6: Intercorrelations between the performance rating criteria for half year 2009, full year 2009, half year 2010, full year 2010 and full year 2011

		H2009	F2009	H2010	F2010	F2011
H2009	Pearson correlation	1	.64**	.32**	.27	.23*
	Sig. (2-tailed)		.00	.00	.01	.04
	N	89	89	85	88	86
F2009	Pearson correlation	.64**	1	.50**	.44**	.45
	Sig. (2-tailed)	.00		.00	.00	.00
	N	89	94	90	93	91
H2010	Pearson correlation	.32**	.50**	1	.81	.60**
	Sig. (2-tailed)	.00	.00		.00	.00
	N	85	90	91	90	88
F2010	Pearson correlation	.27	.44**	.81**	1	.60
	Sig. (2-tailed)	.01	.00	.00		.00
	N	88	93	90	94	92
F2011	Pearson correlation	.23	.45**	.60**	.60**	1
	Sig. (2-tailed)	.04	.00	.00	.00	
	N	86	91	88	92	92

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

There were significant intercorrelations at the $p \leq 0.01$ level between criterion data of the same year. These proved to be higher than the significant correlations yielded for criterion data across the different years.

The regression model summary is provided in table 7, where R represents the regressions for the total of seven variables, that is, the essential competencies identified in the PJM.

Table 7: Regression model summary with the average work performance (2009–2011) as the dependent variable and the essential competencies as the independent variable

Mode	R	R square	Change statistics						
			Adjusted R square	Std. error of the estimate	R square change	F change	df1	df2	Sig. F change
1	.43 ^a	.18	.12	.75	.18	2.75	7	87	.01

a. Predictors: (constant), UCF8.2, UCF7.2, UCF6.2, UCF1.2, UCF1.1, UCF8.1, UCF6.1

Table 8 represents the ANOVA summary.

Table 8: ANOVA summary between the essential competencies and the average work performance (2009–2011)

Model	Sum of squares	Df	Mean square	F	Sig.
1 Regression	10.71	7	1.53	2.75	.01 ^b
Residual	48.40	87	.56		
Total	59.11	94			

a. Dependent variable: criterion average

b. Predictors: (constant), UCF8.2, UCF7.2, UCF6.2, UCF1.2, UCF1.1, UCF8.1, UCF6.1

Table 7 indicates the results of the standard regression analysis done. The overall criterion score (average over the years) was used as the dependent variable and the essential competencies as the independent variable. This is not ideal because the consistency between the years was low. This would therefore be considered as a limitation in the criterion in the present study. It should be noted that it is clear, when referring to the ANOVA summary (table 8), that the model was significant. The validity coefficient based on the regression was 0.43 ($R=0.43$). Therefore, the essential competencies formed a significant predictor ($p = 0.01$) and explained 18% of the variance of total work performance ($R^2 = 0.18$). This should be considered in light of the limitation of the criterion used: that manager's overall composite performance ratings were used for the participants, as opposed to more specific, narrower ratings per BSC objective. The performance review process employed in this organisation only required composite performance ratings to be captured in the electronic repository at the end of each performance appraisal period, and hence these were the only scores accessible for use in this study.

The relationship between the predictors and the criteria scores for the total sample (table 9) was investigated by means of the Pearson product moment correlations.

Table 9: Correlations between essential UCF20 competencies and the performance rating criteria for half year 2009, full year 2009, half year 2010, full year 2010 and full year 2011

		H2009	F2009	H2010	F2010	F2011	Criterion 2009	Criterion 2010	Criterion average
UCF1.1	Pearson	.28**	.14	.07	.06	.06	.22*	.07	.15
Deciding and initiating action	correlation Sig. (2- tailed)	.01	.19	.52	.57	.56	.04	.49	.15
	N	89	94	91	94	92	94	95	95
UCF1.2	Pearson	.21	.10	.21*	.16	-.01	.15	.18	.16
Leading and supervising	correlation Sig. (2- tailed)	.05	.34	.05	.14	.95	.15	.08	.12
	N	89	94	91	94	92	94	95	95
UCF6.1	Pearson	.24*	.10	.09	.12	.07	.17	.10	.15
Planning and organizing	correlation Sig. (2- tailed)	.02	.34	.42	.24	.49	.09	.33	.15
	N	89	94	91	94	92	94	95	95
UCF6.2	Pearson	.24*	.06	.13	.15	.10	.15	.14	.17
Delivering results and meeting customer expectations	correlation Sig. (2- tailed)	.02	.55	.22	.16	.33	.15	.18	.10
	N	89	94	91	94	92	94	95	95
UCF7.2	Pearson	-.12	-.09	-.26*	-.33**	-.33**	-.12	-.30**	-.29**
Coping with pressures and setbacks	correlation Sig. (2- tailed)	.25	.39	.01	.00	.00	.25	.00	.01
	N	89	94	91	94	92	94	95	95
UCF8.1	Pearson	.42*	.23*	.27**	.15	.21*	.35**	.21	.32*
Achieving personal work goals and objectives	correlation Sig. (2- tailed)	.00	.03	.01	.15	.05	.00	.04	.00
	N	89	94	91	94	92	94	95	95
UCF8.2	Pearson	.38	.15	.16	.09	.17	.28	.13	.23*
Entrepreneurial and commercial thinking	correlation Sig. (2- tailed)	.00	.15	.13	.39	.12	.01	.22	.03
	N	89	94	91	94	92	94	95	95

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

r-values larger than 0.30 (medium effect) were considered as practically significant for the purposes of this study (Babbie & Mouton, 2009). An alpha of 0.05 was used in this research as a cut-off for statistical significance (Babbie & Mouton, 2009).

The criterion scores in table 9 represent an average per annum of the ratings as well as over all the years. These were calculated because of the high correlations between the respective half- and final-year scores. Owing to the absence of half-year 2011 scores, a criterion 2011 score could not be calculated.

The half-year 2009 performance ratings correlated significantly with UCF20 competencies 1.1, Deciding and initiating action ($r = .28$); 6.1, Planning and organising ($r = .24$); 6.2, Delivering results and meeting customer expectations ($r = .24$); 8.1, Achieving personal work goals and objectives ($r = .42$); and 8.2, Entrepreneurial and commercial thinking ($r = .38$). The full-year 2009 performance ratings only correlated significantly with UCF20 competency 8.1, Achieving personal work goals and objectives ($r = .23$). The half-year 2010 performance ratings correlated significantly with UCF20 competencies 1.2, Leading and supervising ($r = .21$); 7.2, Coping with pressures and setbacks ($r = .26$); and 8.1, Achieving personal work goals and objectives ($r = .27$). The full-year 2010 performance ratings correlated significantly with UCF20 competency 7.2, Coping with pressures and setbacks ($r = -.33$) only. The full-year 2011 performance ratings correlated significantly with UCF20 competencies 7.2, Coping with pressures and setbacks ($r = -.33$); and 8.1, Achieving personal work goals and objectives ($r = .21$).

The UCF20 competencies which correlated with the work performance of branch managers were found to be as follows: 1.1, Deciding and initiating action (+); 1.2, Leading and supervising (+); 6.1, Planning and organising (+); 6.2, Delivering results and meeting customer expectations (+); 7.2, Coping with pressures and setbacks (-); 8.1, Achieving personal work goals and objectives (+); and 8.2, Entrepreneurial and commercial thinking (+). Most of these listed competencies correlated with the H2009 scores. Achieving personal work goals and objectives (8.1) and entrepreneurial and commercial thinking (8.2) correlated with the criterion. This may have had something to do with the fact that the performance scores had increased (4 and 5) from 2009 to 2011. This results in a lower variance in scores that

impacted on the correlation coefficients. In examining the SDs of all the years (table 5), it is noted that the SD for the average score ($m = 3.72$, $SD = 0.79$) was the smallest, and therefore had the lowest variance.

Table 10 represents the standard regression analysis with the criterion average as the dependent variable and the essential competencies as the independent variables. It indicates how each of the variables contributes to the R.

Table 10: Standard regression analysis between the average work performance (2009–2011) as the dependent variable and the essential competencies as the independent variables

Model	Unstandardised coefficients		Standardised coefficients	T	Sig.	Correlations		
	B	Std. error	Beta			Zeroorder	Partial	Part
1 (Constant)	3.57	.44		8.17	.00			
UCF1.1 Deciding and initiating action	.04	.07	.07	.51	.61	.15	.05	.05
UCF1.2 Leading and supervising	.04	.05	.08	.67	.51	.16	.07	.07
UCF6.1 Planning and organizing	-.03	.09	-.05	-.31	.76	.15	-.03	-.03
UCF6.2 Delivering results and meeting customer expectations	-.01	.08	-.02	-.09	.93	.17	-.01	-.01
UCF7.2 Coping with pressures and setbacks	-.12	.04	-.28	-2.80	.01	-.29	-.29	-.27
UCF8.1 Achieving personal work goals and objectives	.18	.08	.38	2.26	.03	.32	.24	.22
UCF8.2 Entrepreneurial and commercial thinking	-.07	.09	-.14	-.79	.43	.23	-.08	-.08

a. Dependent variable: Criterion average

The overall criterion score (average over the years) was used as the dependent variable and the essential competencies represented the independent variables.

DISCUSSION

In the introduction, it was pointed out that the focus on bank branches is re-emerging in the retail banking sector. Pivotal to branch performance is the branch manager's capability and performance. Against the landscape of a global recession, recruitment efforts are increasingly aimed at accurately matching the right profile of branch manager in that specific role. At the time of the study, PJM scores had been generated for the participants who were fulfilling branch manager roles in the bank. No research had yet been done in this organisation to establish whether there is a relationship between the competency potential match scores (as reflected in the PJM report) and the work performance history of the branch managers. Such research may improve organisational outcomes by enhancing the quality of the organisation's customer service and reducing the financial and human costs associated with inadequate service performance, poor attendance rates, high turnover rates and the cost of ineffective assessments. Using competency assessment instruments that have been proven to validly predict performance may, in particular, provide a positive and measurable return on investment to the organisation.

A normal distribution was found for both the descriptive statistics of the essential competencies identified in the PJM and the performance ratings for the various performance periods respectively. The kappa analysis in this research study indicates that there was only fair agreement between 2009 and 2010. There was slight agreement between 2009 and 2011, and again between 2010 and 2011, there was only fair agreement. Such low levels of agreement are not convincing, but could be explained by the branch managers' performance ratings improving with increased experience in the role. Furthermore, there was an increase in the percentage of employees who obtained ratings of 4 and 5 from 2009 to 2011. This could be explained by improved ratings because of greater experience, or that different supervisors rated the employee in the various years. The researcher did not have information on who the different raters were at her disposal, and therefore could not confirm this as an explanation. This could also be explained by the fact that the performance scores were adapted to reflect the business results in the consistency forums. This indicates a flaw in the criterion because it does not solely reflect the

person's own effort, but is skewed by the business results of that year. This could possibly explain why the consistency between the years was so low.

From the intercorrelations between the performance rating criteria for the various performance periods, it was evident that high correlations were found for ratings of the two performance periods within the same year (e.g. H2009:F2009), but low correlations for the performance periods of different years. This could be explained by the overlap of the performance period being assessed between the half- and full-year ratings, namely January to June. It could also be explained by the adjustment of the half- and final-year ratings in alignment to the business results for that year (which would be similar, based on proximity of the performance periods) – this would take place during the consistency forums with the rating managers. The principle applied by managers in the consistency forums was that the distribution of the performance ratings should “mirror” or align with the business or financial results of the business unit to which the rated employees belong. Since this is unique to the organisation, other research could not be referred to in this context.

It is difficult to link the regression model summary results with similar research conducted in South Africa as none could be found for branch managers in a banking institution. However, validation evidence gathered by SHL (2013) in the South African insurance industry to assess the effectiveness of using personality assessment and Person-Job Matching to predict the job performance of call centre operators indicated a statistically significant validity coefficient of 0.33. In another study, SHL (2013) revealed a strong relationship between MBA students' performance on the assessments, as summarised in the PJM results, and their subsequent academic performance. In yet another study, customer service agents in the travel airline industry who were identified as “Strong” matches by their PJM results were three times more likely to obtain higher performance rating scores, while those identified as “Extremely Strong” matches were four times more likely to obtain higher performance rating scores (SHL, 2013). Since the regression model summary was based on the average work performance (2009–2011) as the dependent variable and the essential competencies as the independent variable, it only contains one model. The weighting of each of the essential competencies on the average work performance will be discussed further on in this section in terms of the results

of the coefficient analysis. The only conclusion that can be drawn with reference to the other research findings in South Africa, is that it is evident that different sets of competencies are required for effective performance in different jobs as indicated in Blignaut (2011), Nicholls et al. (2009), Nzama et al. (2008), Sutherland et al. (2007) and Coetzee, Martins, Basson, and Muller (2006).

Extensive international research has been conducted on the predictive relationship between personality and work performance for nonbanking jobs, for example, the work of Van Woerkom and Reuver (2009), O'Boyle et al. (2011) and Zimmerman et al. (2010). More specific to the present research finding is Richard et al.'s (2009) study on chief executive officers in US banks, where some support for a positive entrepreneurial orientation to performance relationship was found. This finding was replicated by the present research study in which entrepreneurial and commercial thinking were found to be necessary for branch managers to perform effectively in their jobs. While chief executive officers are certainly considered more senior in banking institutions than branch managers, the career path of a branch manager could typically lead to more senior management jobs, such as that of chief executive officers since they are considered to share the same job family, namely general management. Another study more relevant to the present research finding was of Dosajh and Gandhi (2008) whose findings indicated that stable, outgoing, socially bold and anxious or driven private sector bank managers are successful in their roles. This finding was replicated by the present research study in which achieving personal work goals and objectives was found to be necessary for branch managers to perform their jobs effectively.

Aligned to the present finding that specific competencies are required for effective performance in certain jobs, Ones, Dilchert, Viswesvaran, and Judge (2007) were able to find strong support for using personality measures in staffing decisions. They concluded that the criterion-related validities of self-report personality measures are substantial. The Big Five personality variables as a set predict vital organisational behaviours (e.g. work performance, leadership, work attitudes and motivation). Hence they strongly support the use of self-report personality scales in organisational decision making, including personnel selection. According to Ones et al. (2007), there is considerable evidence showing both general cognitive ability and

broad personality traits (e.g. conscientiousness) are relevant to predicting success in a wide array of jobs. They are confident that any theory of organisational behaviours that ignores personality variables would be incomplete. They also contend that any selection decision that does not take the key personality characteristics of job applicants into account would be deficient (Ones et al., 2007).

The regression analysis indicates how each of the essential competencies contribute to the regression ($R = 0.43$). Based on the correlations and the regression results, it would seem that achieving personal work goals and objectives (UCF8.1) and entrepreneurial and commercial thinking (UCF8.2) contributed the most to the success of a branch manager, given the criterion used for this sample. Similar results were obtained in Bick, Buthelezi, and Abratt's (2008) study of the future role of retail bank managers in South Africa, which found that current branch managers deem the following factors to be important: profitably expanding the business of the branch while focusing on staff motivation, an ability to increase local market share, managerial ability (most important) and the ability to combine decision making power with customer relationships.

Internationally, this finding correlates with that in Lee and Liu's (2009) study of bank staff which found that achievement motivation significantly influences work attitude through psychological contracts, and had a significant influence on staff performance of duties in the psychological contract. Another pertinent study is that of Zukauskas and Neverauskas' (2008) of the conceptual model of commercial bank management. Their finding revealed that management optimisation of the classical commercial bank network is critical in several respects: cost reduction, decision-making speed, increase of sales volumes, granting of responsibility to local staff and managers, development of personal competence and enhancement of independence, and management of the bank's market. The present findings further supported those in a study by Hyde and McMahon (2007), in which the following were found: top-performing branch managers were willing to be held accountable for both their successes and their failures; they were proud of their bank, their branch and their employees; they were creative in coming up with new ways to drive business; they were driven to succeed and were motivated by their branch's

success; they were confident in their ability to meet their goals; and they typically had an integrated view of all aspects of their business.

The correlations between the essential competencies and the performance rating criteria for 2009 to 2011 indicated whether there were statistically significant associations between the participants' essential competency scores as identified by the PJM model and their performance data retrieved for five consecutive performance periods (2009–2011). These findings are specific to the subhypotheses formulated earlier in the chapter. Overall, the results indicated a positive relationship between the performance ratings and the following essential competencies: Deciding and initiating action (UCF1.1); Leading and supervising (UCF 1.2); Planning and organising (UCF6.1); Delivering results and meeting customer expectations (UCF6.2); Achieving personal work goals and objectives (UCF8.1); and Entrepreneurial and commercial thinking (UCF8.2). These results indicate that branch managers who score high and are adept at the above competencies would perform well as branch managers in the bank of scope.

Of relevance to the correlation analysis was the fact that it was hypothesised that participants with high performance ratings would also score high on the competency, Deciding and initiating action. According to Zukauskas and Neverauskas (2008), a bank manager has to make fast tactical (everyday) decisions. They maintain that day-to-day decisions have to be made immediately and rapidly to ensure the smooth processing of work, thus satisfying the customers. These findings were only replicated in the half-year 2009 results for the current study, and thus only partially supported this subhypothesis.

It was also hypothesised that participants with high performance ratings scored high on the competency, Leading and supervising. Research by Von Eck and Verwey (2007) found that organisations looking for leaders who can successfully lead people through change and uncertainty should now look for spiritual intelligence in addition to cognitive and emotional intelligence. These findings were only replicated in the half-year 2010 results for the current study, and thus only partially supported this subhypothesis.

Another hypothesis was that participants with high performance ratings scored high on the competency, Planning and organising. However, according to Tahir and Bakar (2010), the managerial competency, planning, is not considered a core competency for managers of financial institutions in Malaysia. Only the half-year 2009 results supported this subhypothesis.

It was hypothesised that participants with high performance ratings score high on the competency, Delivering results and meeting customer expectations. According to Bielski (2005), the successful 21st-century branch manager works just as hard as his/her employees. They should become involved and absorb the details daily. In this way, it is believed that issues and opportunities are addressed as they come up. These findings were only replicated in the half-year 2009 results for the current study, and thus only partially supported this subhypothesis.

It was hypothesised that participants with high performance ratings score low on the competency, Coping with pressures and setbacks. This is supported by a study by Mohsan, Nawaz, and Khan (2011) in the banking sector, which found job stress to be significantly and negatively associated with the work performance of the branch manager. These findings were replicated in the half-year 2010, full-year 2010 and full-year 2011 results to support this subhypothesis. Mohsan et al. (2011) go on to state that stress is necessary for keeping the employees motivated and enhancing their subsequent work performance, but only up to a certain level, beyond which it reduces the employees' work performance. Since both sets of results are based on self-report questionnaires, it should also be noted that the *perceived* stress is being measured, and thus may differ at face value from participants' *actual* ability to cope with pressures and setbacks.

It was hypothesised that participants with high performance ratings score high on the competency, achieving personal work goals and objectives. In a study by Lee and Liu (2009), it was recommended that banks should include the level of achievement motivation as a criterion for future selection of staff in the context of their work attitude because high achievement motivation tends to lead to positive and active work attitude, with employees endeavouring to outdo the performance of other banks, thus leading to greater efficiency and better performance. These findings

were replicated in the half-year 2009, full-year 2009, half-year 2010 and full-year 2011 results to support this subhypothesis.

It was hypothesised that participants with high performance ratings score high on the competency, entrepreneurial and commercial thinking. Richard et al.'s (2009) study found that entrepreneurial orientation (EO) is positively related to return on equity (ROE) but not return on assets (ROA). Hence this partially indicates support for firm performance. These findings were only replicated in the half-year 2009 results, and thus only partially supported this subhypothesis.

Additional South African research could not be found. However, internationally, Hyde and McMahon (2007) demonstrated that branch managers are willing to be held accountable for both their successes and failures. They are proud of their bank, their branch and their employees. They are creative in coming up with new ways to drive business. They are driven to succeed and motivated by their branch's success, not just their own salary and bonus packages. They are confident in their ability to meet their goals. And they typically hold an integrated view of all aspects of their business – sales, service, people and the core operations. However, the results indicate a significantly negative correlation between the performance ratings and the essential competency, coping with pressure and setbacks (UCF7.2). This could be explained by the fact that the participants could have rated themselves low on this competency because it was a self-report questionnaire, and the common belief would be that good performers do work harder and are less effective at handling stress.

Overall, the correlation studies also revealed higher correlations with competencies in half-year ratings compared to the final-year ratings. One possible reason for this could be the financial implications of the final-year ratings: they were used as a basis to calculate salary increases and bonus payments. Managers could have rated the participants lower (conservative) in order to manage expectations around lower increases and bonuses. Far more scrutiny was also applied between managers when challenging ratings for final-year ratings in the consistency forums. Murphy and Cleveland (1995) similarly noted how rater goals and motivation influence rating distortion and accuracy, such that formal rewards can influence motivation to provide accurate ratings with potentially negative consequences (e.g. detrimental effects on

group cohesion). Such systematic sources of variance that contribute to differences in ratings are perhaps better construed as substantive and important in their own right. Murphy, Cleveland, Skattebo, and Kinney (2004) found that measures of rater goals correlated with their ratings. This suggests that differences in ratings should not be treated as error and thus corrected in attenuation formulae. This issue currently remains unresolved, but the consequences are potentially great because using the wrong attenuation correction estimate can dramatically influence the magnitude of validity estimates (not to mention result in over- or underestimates of subgroup differences, when the differences are also corrected for unreliability) (Murphy et al., 2004).

There could be other factors (not included in this study) that may influence the predictive relationship between competencies and work performance. One important factor is the nature of the measurement of performance. The researcher relied on the manager's overall ratings of the participants and it is possible that stronger results may have been obtained if more objective measures of performance had been used. Furthermore, if measures of each objective had been correlated separately instead of combining performance ratings into single overall composite measures, it is also possible that stronger results would have been obtained. The performance review process employed in this organisation only required composite performance ratings to be captured in the electronic repository at the end of each performance appraisal period, and hence these were the only scores accessible for use in this study. This limited the interpretation of the correlations drawn with the specific essential competencies identified. In a study conducted by Christiansen and Robie (2011), the sets of facet scores explained an additional 9% of the variance in performance beyond composite scores and 10% beyond the factor scores.

In conclusion, there appears to be a significant relationship between the personality traits as reflected in competency scores of branch managers and their work performance. Using identified essential competencies as measured by the OPQ32r, successful branch managers can be described as possessing the following competencies: Deciding and initiating action, Leading and supervising, Planning and organising, Delivering results and meeting customer expectations, Achieving personal work goals and objectives and Entrepreneurial and commercial thinking.

The competencies identified in this study can be included in the recruitment process for branch managers and the OPQ32r can be used to measure these competencies. The organisation can realise time and cost savings by putting fewer candidates through the interview phase of the recruitment process, with the interviewers spending more time with higher quality candidates.

A major shortcoming of this research was the limited sample size which may have influenced the generalisability of the findings. In addition, composite performance ratings were used, which limited the interpretation of the correlations drawn with specific essential competencies identified. The absence of half-year 200 performance ratings on account of system issues left a gap in the three-year continuum of performance history. The overlap of performance periods between the half-year and full-year ratings also diluted the significance of the full-year performance rating. In addition, the fact that performance scores were ultimately adapted to reflect the business results in the management consistency forums also skewed the performance ratings from reflecting the participants' actual work performance. Lastly, the use of self-report surveys (as with the OPQ32r) in the current study, could have posed the risk of participants providing inaccurate responses, and the researcher thereby committing a Type II error. The small sample size and the weak criteria could potentially have thus influenced the correlations and the data should therefore be interpreted with caution.

Based on the results of the study, it is recommended that further research be conducted on the relationship between competencies and work performance in the context of branch management in this banking institution and others in South Africa. Investigation is also recommended for poorly performing branch managers to determine whether the converse of the findings applies. Finally, it may be useful to employ the OPQ32r to investigate the return on investment in terms of whether there is a difference in the job performance and employee turnover rates of candidates recruited according to the essential competencies identified in the study compared to those who are not.

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CHAPTER 4: CONCLUSIONS, LIMITATION AND RECOMMENDATIONS

The previous chapter presented the results of the research in the form of an article. This chapter provides an overview of the research. Conclusions will be drawn, followed by a discussion of the limitations. In conclusion, recommendations will be made for possible further research.

4.1 CONCLUSIONS

The research focused on investigating the relationship between competencies and work performance. Research conclusions stemming from the literature review and the empirical study for each of the research aims, as stated in section 1.3 in chapter 1, will be formulated below.

4.1.1 Literature review

The specific literature aims were to conceptualise the constructs (competencies and work performance) which formed part of the study and to investigate the theoretical relationship between them. This aim was achieved by means of the literature review in chapter 2 of this dissertation.

According to Bartram and Brown (2005), competencies are defined as sets of behaviours that are instrumental in the delivery of desired results (Bartram et al, 2002 in Bartram and Brown, 2005). Defining a competency in relation to its significance for performance at work, the UCF provides a single framework for making predictions from measures of competency potential (ability, personality and motivation) to ratings of actual work performance (Bartram and Brown, 2005).

Rowe (1995, p. 12) defines competency as “the behaviour by which competence is achieved i.e. a description of *how* people do it. Competencies therefore refer to the behaviours adopted in competent performance.” Adding to Rowe’s definition, Stuart and Lindsay (1997) state that competencies are built up of smaller components which are termed elements of competencies. These elements are skills, knowledge, characteristics, traits and abilities (Stuart & Lindsay, 1997).

The main advantage of the competency modelling approach seems to be its success in building models for organisation-wide integrated human resource management. This study focuses on the specific requirements of the job as determined by a job analysis, and how the psychometric instruments (in this case the OPQ32r, the VC1.1 and the DC3.1 assessments) predict success in the job.

After following the job analysis process, the competency framework should be an accurate portrayal of the competencies needed to fulfil the requirements of the branch manager positions. The question, however, is to what extent the candidates who meet the requirements of the job and are recruited, go on to be successful branch managers. This study thus moves beyond the job analysis per se to assess the predictive validity of this job analysis.

The competency profile that emerged from the job analysis is a direct function of the OPQ32r and the 32 dimensions it measures. It disperses the 20 competencies according to the varying criticality levels of each competency in fulfilling the requirements of the job. Criticality is a function of how important a particular activity is to meeting the requirements of the job and the amount of time spent doing it. The participant's score on the various factors of the OPQ32r are then translated into the competency language; the respective importance levels according to the job analysis model are applied and interpreted in terms of the Universal Competency Framework job profile. These identified essential competencies were then used to generate PJM reports for the participants by matching these competencies to their relevant OPQ32r scores and VC1.1 and DC3.1 scores.

It became increasingly evident that it was necessary to conceptualise personality and abilities in the literature review, and how they lend themselves to the conceptualisation of competencies.

Laher (2007) describes personality as a complex organisation of particular patterns or consistencies in behaviours, thoughts and feelings that is inextricably linked to the psychological and physical. Most personality theories fall into one of six theoretical approaches, namely psychodynamic, cognitive/social learning,

humanistic/existential, behavioural genetics, the radical behaviourist approach, and trait theory (Laher, 2007).

For the purposes of this study, the trait theory was particularly relevant, and was thus explored in greater detail. The five-factor model (FFM or Big Five) is generally accepted as the predominant taxonomy for examining the relationship between trait personality and occupational criteria (McCormick & Burch, 2008). This is especially relevant because the measuring instrument used in this study, the OPQ32r, is based on trait theory, and measures the Big Five factors, also extending beyond to a broader personality domain than the FFM (SHL, 1999). The five primary personality factors in the FFM are (1) neuroticism, (2) extraversion, (3) openness to experience, (4) agreeableness, and (5) conscientiousness (Costa & McCrae, 1992).

Augustine and Larsen (2012) postulate that there is no universally agreed upon definition of a personality trait. They explain that self-report ratings of personality may capture the individuals wish to be viewed by others or represent a summary of a relatively complex pattern of behaviour. Trait ratings may also capture the average or expected value of behaviour during a given period of time (Augustine & Larsen, 2012).

According to McCormick and Burch (2008), the five-factor model (FFM or Big Five) is generally accepted as the predominant taxonomy for examining the relationship between trait personality and occupational criteria. The FFM places the emphasis on individual personality traits with the five primary personality factors being (1) neuroticism, (2) extroversion, (3) openness to experience, (4) agreeableness, and (5) conscientiousness (Costa & McCrae, 1992).

In exploring the predictive validity of cognitive ability tests, Bertua, Anderson and Salgado (2005) conducted a meta-analysis on the validity of tests of general mental ability (GMA) and specific cognitive abilities for predicting job performance and training success in the UK. Primary studies were also coded by occupational group and by the type of specific ability test. Results indicated that GMA and specific ability tests are valid predictors of both job performance and training success (Bertua et al., 2005).

In an organisational context, personality data can be used for recruitment, coaching, teambuilding and other development purposes. Although it seems evident that personality has a key role to play in determining work-related behaviour, Burch and Anderson (2008) caution that this relationship is generally moderated by intelligence, sociocultural variables and situational/contextual factors, and mediated by situation perception and cognitive-affective mediating processes.

Work performance was conceptualised by Nzama et al. (2008, p. 41) as “a multidimensional construct of how well one performs tasks at work, the initiative taken and how one solves problems – and was measured in terms of a final rating score obtained for each participant”. Nash and Poling (2012) maintain that when a manager measures performance, there must be a reason for the measurement. More importantly, the measurement should align with the organisation’s overall strategy for success. The employee’s key performance indicators (KPIs) are the measurements that set the stage for everything else that is measured.

According to Murphy (2008), the measurement of work performance is recognised as one of the significant challenges that managers face. In this study, the organisation balanced scorecard (BSC) objectives were derived from the overall strategy, and employees’ performance was measured as defined by their BSC objectives. In addition, 360 degree feedback was requested as an indication of the extent to which employees display the values of the organisation.

Many managers do not fully buy in to the process of performance management as they believe that it is time-consuming or expensive to implement. Educating managers on the potential benefits of the process to the organisation is key in ensuring that an efficient and effective performance appraisal system drives the organisation towards achieving competitive advantage.

The literature supported the notion of a relationship between competencies and work performance. However, studies indicate that work performance across different jobs is not equally reliant on the personality or competencies of employees (Gatewood et al., 2008). Ones et al. (2007) strongly support the use of self-report personality scales in organisational decision making, including personnel selection. They refer to

considerable evidence that supports general cognitive ability and broad personality traits as predictors of success in a wide array of jobs. They also maintain that self-report personality measures are useful in understanding, explaining and predicting significant work attitudes and organisational behaviours. They insist that any selection decision that does not include the personality characteristics of job applicants into account would be deficient (Ones et al., 2007).

4.1.2 Empirical study

The objective of the study was to determine if competencies can be used as a predictor of work performance for branch managers in a banking institution. The additional empirical aims of the study included determining the following: the intercorrelation between criterion data; the coefficient analysis with the average work performance and the essential competencies; and the correlation between essential competencies identified for a branch manager and work performance. This was achieved in chapter 3 by means of reporting and discussing the results in the article. The following conclusions can be drawn from the results and can be regarded as specific to the banking industry, particularly the organisation that was studied.

- There was a significant relationship between the competencies of branch managers and their work performance.
- From the intercorrelations between criterion data, high correlations were found for ratings of the two performance periods in the same year, but low correlations for performance periods of different years.
- In the regression analysis, achieving personal work goals and objectives (UCF8.1) and entrepreneurial and commercial thinking (UCF8.2) were positively regressed to work performance.
- In the correlation analysis, the following items indicated positive relationships with the performance ratings: Deciding and initiating action (UCF1.1), Leading and supervising (UCF1.2); Planning and organising (UCF6.1); Delivering results and meeting customer expectations (UCF6.2); Achieving personal work goals and objectives (UCF8.1); and Entrepreneurial and commercial thinking (UCF8.2).

The central hypothesis of the research (as formulated in section 1.4.2, i.e., there are statistically significant relationships between competencies and work performance) should be accepted because significant relationships were found between the performance ratings of branch managers and each of the following UCF20 competencies: Deciding and initiating action; Leading and supervising; Planning and organising; Delivering results and meeting customer expectations; Coping with pressures and setbacks; Achieving personal work goals and objectives; and Entrepreneurial and commercial thinking. Such results strengthen the case of relying on person-job fit assessments when predicting future job success in the recruitment of branch managers.

4.2 LIMITATIONS

The limitations of the research are discussed in relation to the literature review and the empirical study.

4.2.1 Literature review

- As far as could be determined, little research has been done on the relationships between branch managers' competencies and work performance in banking institutions. It was therefore difficult to support and integrate findings from different researchers.
- No published research on the relationship between competencies and work performance could be found for branch managers in the banking industry in South Africa.
- A wide variety of job performance models and dimensions exist in the literature, which added to the complexity of conceptualising the job performance construct in this study.

4.2.2 Empirical study

- The fact that such a limited sample was used may have influenced the generalisability of findings.
- The study was conducted in one organisation, which means that the results of the study are not generalisable across other organisations in South Africa.
- The sample was chosen from the banking sector in a developing country. It was therefore not possible to generalise the findings to other banking sectors in developed countries such as the UK.
- The branch managers who participated in this study comprised only one job family, thus generalising results beyond this population would have been questionable.
- Performance measures specific to the particular organisation and industry were used. Generalisability of any findings can only pertain to a population of branch managers in similar situations as well as to the class of performance measures used in this study.
- Composite performance ratings were used, which limited the interpretation of the correlations drawn with the specific essential competencies identified. . The performance review process employed in this organisation only required composite performance ratings to be captured in the electronic repository at the end of each performance appraisal period, and hence these were the only scores accessible for use in this study. This limited the interpretation of the correlations drawn with the specific essential competencies identified.
- Owing to system issues, it was not possible to obtain half-year 2011 performance ratings. This left a gap in the three-year continuum of performance history.
- The overlapping of performance periods between the half-year and full-year ratings diluted the significance of the full-year performance rating.
- The fact that performance scores were ultimately adapted to reflect the business results in the management consistency forums also skewed the performance ratings in reflecting the participants' actual work performance.
- An inherent limitation of self-report surveys (as with the OPQ32r) is that respondents may not provide accurate responses.

4.3 RECOMMENDATIONS

The conclusions and the limitations discussed in previous sections provide a basis for recommendations for further research. These are discussed below.

- Further research should be conducted on the relationship between competencies and work performance in the context of branch management in the particular banking institution where the research was conducted, as well as other banking institutions in South Africa.
- An investigation of the relationship between competencies and work performance should also be conducted for branch managers with low performance ratings to determine whether the converse of the findings applies.
- The costs associated with utilising the OPQ32r should be used to investigate the return on investment in terms of whether there is a difference in the job performance and employee turnover rates of candidates recruited according to the essential competencies identified in the study compared to those who are not.

4.4 CHAPTER SUMMARY

In this chapter the conclusions, limitations and recommendations of the research were presented on the basis of the aims of the study as discussed in section 1.3 of chapter 1. The literature aims as well as the empirical aims of the study were addressed in terms of the conclusions drawn and limitations observed. Recommendations were made for further research on the basis of the findings.

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