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Evaluation of Job Performance: An Empirical Study of Different KDS Characters

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Abstract. Intellectual property and intellectual capital became the critical components of wealth creation, and core employees of organization become more significant than ever. Especially, key employees with higher organizational performance characteristics are often entitled talent for their core networking status in creating the organizational intelligent capital values. In the field of talents' retention, empirical study of relationship-oriented between talents' performance and withdraw tendency by modeling is taking lead way in highlighting the talents' turnover mechanism. This study will integrate positive research from talents' organizational performance characters through standard of Key degree scale (KDS) in MBA samples from China to compare the significance and functional routes which are reflected by various talent retention factors, to reveal retention management policy which may influence talent retention and performance decision-making.

Keywords: Talent retention, Performance character, Withdraw tendency, KDS

1. Introduction

Under the present background of the intensifying HR competition, "the talent war" may be increasingly fierce regardless of how the labor force demands may fluctuate (Capelli, 2000). Controlling the replacement cost, retention of the high org-performance talents and maintaining the social capital of organization may be the vital organization goals all the time (Dess et al 2001). However, as for the dynamic development of organization, any member will not forever be at fixed position, and the employee movement behavior will occur frequently. Rice Lee (2007) regarded this kind of employee movement as the social process, in which the employee labor- transfers between the positions or organizations. The personnel transfer which occurred in the organization is inevitability and the necessity in the organization resource allocation and management. It will be more frequent day by day due to China and other developing countries socialist market economy's development (Chen et al 2005). How to develop the measuring indicator for key employee's degree of organizational performance is the prime question. Some scholars have presented or summarized 7 measuring dimensions (Dess, 2001) for appraising the organizational performance features of key employees, but no effective measuring tools have been discovered yet, also inadequate empirical research on the area. Therefore, the objective of this study will focus in building of the KDS (key-degree scale) from operational viewpoint, which should be of psychometric character with relatively stable connotation structure and be consistent to the related actual key employee job performance.

2. Related works

Talent in the workforce refers to people who have high potential, crucial knowledge and skills, and can successfully lead transformation and change within the organization (Boudreau, 2005; Lewis, 2006). The Org-talents should be in the organization society network system, who are responsible for the creation of multiplicity connection value influence personnel to other points in the organization network and usually are the knowledge or executive staff (such as the technologists, expert and managers) with the key event

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characteristics and the high individual human capital value in the organization network (Dess, 2001; Liao, 2007). In this study, conception of talent will be used, which are based on the modern organization social capital coupling performance view and suitable for today's organizations. The majority literatures discuss importance of key employees in organizations and most of them understand and characterize the organizational employees as either this attribute or that (namely, key or non-key) from the analytic perspective of atomized individuals, with only one-fold defining dimension, such as the typical 2-8 distribution theory (Luo, Yang, 2003). it ignore the organizational social relation formed by the organizational capital which plays a decisive role for employees to create organizational values, and lacking operable definition and measuring mode, and thus it can hardly, at theoretical or operable levels investigate thoroughly the retention and development strategy policy of key employees (Dess, 2001; Liao jq, 2005). Employees Performance the key exogenous dependent variable in Allen's (2001) Model was evaluated by simply items from questionnaires. In study of Dess (2001), talents in organizations are defined as a construction around the realization of organizational objectives, with multi-dimensional analytic indications in 7 dimensions. It can benefit to understand effectively the relation between talents with high performance and withdraw tendency, but theoretical view limited the effective measuring tools discovered. Ritter (1999) believes this kind of measuring indicator mainly involve the description to talents' organizational behavior features which are not directly quantified, and so it is proper and effective to employ the description method for organizational behavior features of typical objects. Thus, this study has adapted the method and some measuring indictors of Professor Ritter to develop the KDS- talents' key-degree measuring indicator with the hope of providing a type of measuring tools to develop talents effectively in organizations.

3. Methodologies

The method for developing KDS and verification of its effectiveness are mainly in two steps: First one is evaluation of the scale's validity, the seven dimensions which reflect the talents' performance features mentioned above are determined through interviews of sample respondents. It will be mainly reflected through appraising the "internal consistent reliability" and "structural validity" of the measuring indicator. Second is its consistency with the talents actual organizational performance, KDS data of samples will be tested by the relevant annual achievement of respondents in the last two years. For the effective development of the key-degree measuring indicator, a preliminary indication for appraising the key-degree performance is abstracted from existing theories and practice achievements (Ritter, Thomas 1999), and then improvement can be made in combination with actual investigation on typical samples.

3.1. Evaluation of KDS Validity

In order to test the validity of the above-obtained talents' key-degree measuring indicator, we conduct "Internal consistency reliability" and "Principal Component Analysis" to ensure the validity of the measuring indicator in possible large-scale anonymous questionnaire in the future. Firstly, interview with target samples for selecting effective measuring items for the key-degree measuring indicator in 21 MBA/PhD candidates who respectively hold major leading positions in administration and technical departments in near 11 industries around Heilongjiang province, then, establish a key-degree measuring indicator with 7 dimensions with 17 descriptive items. Secondly, to ensure the required testing fitness, we selected randomly 150 MBA candidates, who are at the prime of their careers (8-15 years), constituting of professional experts, executive supervisors and business backbones. The satisfied questionnaires are 108. Investigate with SPSS the internal consistence reliability of the 7 indications, this study got a satisfied result: α coefficients of all variables are above 0.7 (Table 1). Principal Component Analysis is employed after the adaptability inspection (KMO), the 3 factors defined may interpret 73.71% general variance of performance indications for talents' key-degree (Naresh, 2004).

Table 1: The statistic description indexes and internal component analysis (N=108)

	Total	Mean	SD	Cronbach'sα
Key Degree	17	3.25	1.60	.88
Interconnection	3	3.27	1.29	.79
Transfer Advantages	2	2.68	1.27	.74
Trustiness	3	3.08	1.50	.93
Team Affinity	2	4.06	1.08	.74
Irreplaceability	2	2.95	1.78	.87
Innovation	3	3.40	2.01	.88
Influence of associate performance	2	3.39	2.40	.87

Component Matrix

	Component		
	F_1	F_2	F_3
X_1	.972	.230	.101
X_2	.896	.212	.124
X_3	.287	.885	.164
X_4	.292	.871	.108
X_6	.394	.109	.743
X_7	.186	.209	.702
X_8	.166	.212	.705
Eigenvalue	2.17	1.73	1.26
%Cumulative		73.71%	

3.2. Difference analysis between higher and lower KDS

After the satisfied primary result, this study operates the expansion analysis continuity. For stratified and representative random sampling, this study adapts "stratified sampling" and "simple random sampling" to collect data in second step: Select the suitable sampling frame in 3 areas of China from 128 famous public Business Schools respectively; Treat "semester-year" as the academic standard of "strata", then divide the entire population into 3 academic years (2006-2009) and 6 semester classes to questionnaires, got 510 satisfied resounds from 700 questionnaires.

In defining the level of high organizational performance features of samples, the paper adopts the practice of adding a standard variance into the mean, a method in common use (Allen, 2001, Lee, 2004). That is, the sum4.85 from mean 3.25 and standard deviation 1.60. Talents with their key-degree higher than 4.85 is regarded as one with high organizational performance features. It is calculated there are 248 talents, accounting for 48.6% of the total valid samples. Wherein, talents holding medium technical titles or above accounting for 77.6%, males 44.6%, and technical, distributional/ operational, and executive talents respectively 45.5%, 39.3% and 15.2%. Observable variable model route (Figure 1) is employed here to investigate the difference for talents with higher and lower levels. The indexes for comparison and judgment are mainly route coefficients and their significance levels as well as the interpreting coefficients (R2).

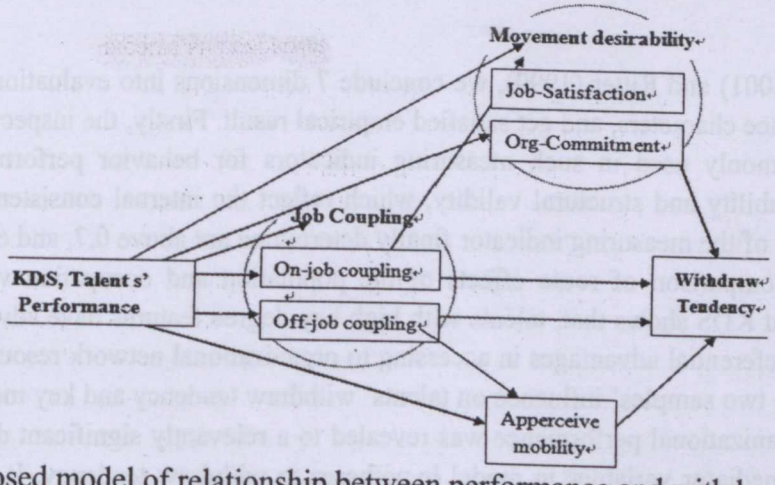

Figure 1: Proposed model of relationship between performance and withdraw tendency

Table 2 shows the route coefficients of the groups of samples, which is estimated as per LISREL. Based on the result of differentiation analysis, the route effect coefficient for the comprehensive "withdraw tendency" of the former is a bit higher (0.61, 0.59, P<0.001), with the same platform of significance level. From the perspective of the five route coefficients evaluated from key-degree, the route coefficient of the former is higher than the latter, and the discrepancy in route coefficient of the former to "apperceived mobility" is more significant (P<0.01); but the route effects of the two to job satisfaction and organizational

commitment are both insignificant. From the perspective of mediator route effect, "on-job coupling" of the two both exhibit significant key mediator effect (P<0.01) related to job attitude variables. What is noticeable, the route effect coefficients of talents with high key-degree, from "job coupling/ linkage" and "apperceived mobility" to "withdraw tendency", is 0.05 or above higher than those with lower, and R2 values is also relatively higher. This means, the social network of the former is of more restrictive force on their decision to quit; and they are easy to choose to leave owing to that they may perceive relatively more apperceived mobility for their advantage in human capital.

Table 2: Coefficients of the model route effects as LISREL for the two groups of samples (N=510)

	On-job Coupling		Off-job Coupling		Job Satisfaction		Org Commitment		Apperceive Mobility		Withdraw Tendency	
	H	L	H	L	H	L	H	L	H	L	H	L
DV												
Withdraw Tendency											0.62**	0.59**
IV												
Key Degree	0.37*	0.29*	0.27*	0.24*	0.01	-0.03	0.08	0.06	0.44**	0.23*		
Med-V												
Job-Satisfaction											-0.32*	-0.26*
Org-Commitment											-0.24*	-0.21*
On-job Coupling					0.71**	0.63**	0.62**	0.44**			-0.21*	-0.24*
org- fitness	0.43**	0.54**										
org- sacrifice	0.55**	0.63**										
org- linkage	0.42**	0.33*										
Off-job Coupling											-0.33*	-0.28*
com- fitness			0.57**	0.54**								
com- sacrifice			0.55**	0.59**								
com- linkage			0.62**	0.52**								
Apperceive Mobility											0.78**	0.57**
R^2	0.48	0.46	0.61	0.55	0.62	0.56	0.40	0.43	0.41	0.39	0.56	0.51

4. Summary

Based on Dess (2001) and Ritter (1999), we conclude 7 dimensions into evaluation of Key employee's operational performance characters, and get satisfied empirical result. Firstly, the inspection on psychometric quality indexes commonly used in such measuring indicators for behavior performance, including the extensively used reliability and structural validity, which reflect the internal consistency of the measuring indicator, all α values of the measuring indicator finally determined are above 0.7, and exhibit stable 3-factor structural validity. Comparison of route effects of the population and occupation variables for the two samples with different KDS shows that, talents with high key-degree features have advantages in individual human capital and preferential advantages in accessing to organizational network resources. The differences in route effects of the two samples' influence on talents' withdraw tendency and key motivation domains for talents with high organizational performance was revealed to a relevantly significant degree. In sequencing the route effects of mediator variables in model hypotheses to withdraw tendency. It is indicated either to higher or lower, job-coupling factors are of overwhelming restrictive factor to their withdraw tendency even turnover. Comparatively speaking, route effects of the higher, "community-linkage" and "commitment" are sequenced further forward, and this may indicate the institutionalized retention and incitement for key talents off-job incitement on the basis of individual's career development and living quality may be more likely to achieve key employees' job satisfaction and organizational commitment. Therefore, KDS may be extended into more useful academic area in talent management, especially in an age with increasingly frequent personnel turnover occurs and the human-oriented management being highlighted in modern organizations.

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