

TARGETED EMPLOYEE RETENTION: REASONS FOR CONSIDERING LEAVING A SOUTH AFRICAN FINANCIAL SERVICES INSTITUTION

by

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ABSTRACT

In today's volatile and unpredictable economic environment, the retention of human capital, one of any organisation's most valuable resources, has become critically important. The focus of employee retention has gradually moved away from blanket retention strategies to targeted retention strategies designed to address turnover in specified employee groups or categories that are of exceptional value to the organisation.

This study examined the retention dynamics of employees in a large financial services institution in South Africa. The study's aim was to investigate employees' intention to leave, and their reasons for considering leaving the company, while testing whether these factors differ according to employees' biographical characteristics, including gender, population group, management status, and the type of work they perform, thereby conducting targeted analysis of employee retention needs.

For the purposes of the present study, quantitative survey data from a secondary source were used. The data used were collected during 2011 as part of an employee satisfaction survey in a large organisation within the financial services industry. A quantitative research approach was followed to attain the research objectives of this study.

The results shed light on the most prominent antecedents of employee turnover in the organisation under study, while also identifying the antecedents that contribute only to a small degree to labour turnover.

Differences between biographical groups were significant, confirming that turnover intention and reasons for considering leaving the company differ according to employees' gender, population group, management status, and the type of work they perform.

Effective targeted retention strategies are expected to reduce employee turnover, and help organisations to retain a knowledgeable and productive workforce. The results of the study can aid especially human resource practitioners in developing tailor-made retention strategies that address the needs of targeted employee groups.

CHAPTER 1: INTRODUCTION AND BACKGROUND

1.1 BACKGROUND

In a volatile and unpredictable environment, the retention of human capital, one of the organisation's most valuable resources (Sutherland & Jordaan, 2004), has become critically important. The 21st century is one of dramatic change that transformed the very nature of the business environment (RV Weeks, 2007). This volatile environment has forced organisations to redefine the way in which they function, in order to optimally position themselves with a sustainable competitive advantage (RV Weeks, 2007). All companies, irrespective of size and industry, are experiencing a myriad changes, and one of the biggest challenges that currently face them is the retention of valuable employees (Hausknecht, Rodda, & Howard, 2009; Kerr-Phillips & Thomas, 2009; Kyndt, Dochy, Michielsen, & Moeyaert, 2009; Sutherland & Jordaan, 2004).

The management and control of employee turnover is vitally important for human resource practitioners in the current and future business environment (Taylor & Frank 2004). The competitiveness and, ultimately, the future sustainability of an organisation depend, to a large extent, on the quality of its human resources. Sutherland and Jordaan (2004) stated that knowledgeable employees make an organisation rich, and that the loss of these employees can adversely affect an organisation's competitive advantage. Various changes in the labour market have significantly affected the supply of valuable staff. Consequently, it has become imperative that organisations focus on retaining their key employees (Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004).

Literature highlights the various financial losses that employee turnover can impose on organisations (Chiboiwa, Samuel, & Chipunza, 2010; Samuel & Chipunza, 2009; Sutherland & Jordaan, 2004; Taylor & Frank, 2004). Some of the costs are easy to calculate and report. These costs include, among others, recruitment, induction, and training. Taylor and Frank (2004), however, stated that these direct financial costs are often not the biggest problem. The immeasurable loss of intellectual resources in an environment where talent is extremely scarce and valuable can cause organisations to

lose their competitive edge. The exact cost of employee turnover is virtually impossible to determine, but there is agreement among academics and practitioners alike that the consequences are vast, and it is therefore imperative that practitioners direct their efforts toward controlling and managing labour turnover (Chiboiwa et al., 2010; Kyndt et al., 2009; Sutherland & Jordaan, 2004).

It is clear that employee turnover is more than just a mere human resource concern; it is an issue that has far-reaching implications, and that demands the attention of, especially, human resource practitioners. Taylor and Frank (2004) went as far as stating that employee retention will become the main priority of human resource managers, and that reporting retention statistics will form a large part of organisations' Annual Reports in the future. In order to effectively manage employee turnover, organisations must go beyond merely understanding employee turnover. Practitioners must explore and investigate how to retain key staff (Sutherland & Jordaan, 2004). By investigating the factors that influence employee retention and determining whether there are differences in these factors between different employee segments will greatly aid practitioners in developing effective retention strategies. Academic literature about employee turnover has provided us with many solutions, but many unanswered questions remain. This study will contribute to the growing body of research on employee retention, and provide insight into strategies that will improve the retention of staff in the current South African business environment.

1.2 PROBLEM STATEMENT AND RESEARCH PURPOSE

The volatile business environment is forcing organisations to improve their retention strategies. While a vast amount of research has been done on employee turnover and retention (Hausknecht et al., 2009; Hay, 2002; Kerr-Phillips & Thomas, 2009; Sutherland & Jordaan, 2004), many studies were very narrow in scope, focussing on turnover without developing retention strategies, and were conducted before the emergence of the war for talent. The retention strategies found in literature are undifferentiated, targeting the entire labour force, and are therefore only marginally effective (Hausknecht et al., 2009). A pressing need exists to determine whether differentiated retention strategies that address the needs of targeted employee groups can be developed, and if these strategies will be

more effective than the traditional strategies (Hausknecht et al., 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001).

This study will aim to fill these gaps by examining the retention dynamics of employees in a large financial services institution in South Africa. The study will investigate employees' intention to leave, and their reasons for considering leaving the company, while testing whether these factors differ, depending on employees' biographical characteristics, including gender, population group, management status, and the type of work they perform, thereby conducting targeted analysis of employee retention needs.

1.3 RESEARCH OBJECTIVES

In order to successfully fulfil the purpose of the research project, the study will be guided by the following research objectives:

- To investigate whether employees are considering leaving their company, and the reasons that employees provide for considering leaving the organisation.
- To investigate whether there is a significant difference in the turnover intention of employees from different biographical groups.
- To determine whether there is a significant difference in the factors that cause employees to leave, based on selected biographical characteristics of employees.
- If significant differences exist, recommendations will be made that can aid practitioners in developing tailor-made retention strategies that address the needs of targeted employee groups.

1.4 ACADEMIC VALUE AND INTENDED CONTRIBUTION OF THE STUDY

Employee retention has become one of the top human resource management concerns in today's business environment (Taylor & Frank, 2004). The retention of valuable and knowledgeable staff is of the utmost importance, if an organisation wants to remain competitive in the current volatile business environment (Kerr-Phillips & Thomas, 2009; Sutherland & Jordaan, 2004). Not only has valuable staff become scarce, but these employees are also more mobile (Sutherland & Jordaan, 2004). Swanepoel (2008) stated

that the turnover of key employees in South Africa is rising, and therefore it is imperative that organisations implement effective retention strategies, in order to retain these employees and, ultimately, maintain their competitiveness. This research study will aim to uncover the employee groups with the highest turnover intention, and identify factors that cause employees to consider leaving a company. This will provide practitioners with insight into developing strategies that truly address the needs and concerns of employees. The results will enable organisations to formulate more effective retention strategies, which will reduce employee turnover, and help to retain a knowledgeable and productive workforce.

Sutherland and Jordaan (2004) reminded practitioners that the emerging business environment is fertile ground for new research, and that research must focus on developing new solutions, because traditional theories and practices may no longer apply. The present study will address these concerns, and specifically focus on staff retention in a large financial services institution in the South African business environment. Very few studies on employee retention in the South African business environment have been conducted, and, therefore, the research findings will provide a practical platform for devising effective retention strategies in the South African environment (Kerr-Phillips & Thomas, 2009; Vallabh & Donald, 2001). A large organisation was chosen, due to the fact that research shows that large organisations experience higher turnover rates than their smaller counterparts (Swanepoel, 2008). Results derived from research in a large organisation will help practitioners to better understand and address the turnover phenomenon.

As stated earlier, previous retention strategies have focussed on interventions that are aimed at the workforce at large (Hausknecht et al., 2009). Recently, however, there has been a call for researchers to determine whether different employee segments have different needs with regard to retention strategies (Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; McKay et al., 2007; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001). The present research will enable practitioners to develop tailor-made retention strategies that will enable organisations to more effectively retain targeted sections of their labour force (Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001). Earlier literature on this matter has not rendered

conclusive results, and future research should aim to answer these questions (Kyndt et al., 2009). This present research project is aimed at determining whether the turnover intention and factors that cause employees to leave differ, based on certain biographical characteristics. If conclusive results are obtained, practitioners will be able to use these to develop interventions aimed at the retention of specific employee segments.

This study addresses various critical issues that will aid, especially, human resource executives in understanding and managing the employee retention dynamics in an organisation. The study will add to the growing body of literature in this field, and aims to fill critical gaps that currently exist.

1.5 DEFINITION OF KEY TERMS

The study will include a number of constructs that need defining. The definitions of these concepts in terms of the present study are set out below.

Employee retention: The design of this study focuses specifically on the role that human resource practitioners and industrial psychologists play in the retention of staff. Employee retention will therefore be defined as the integration of human resource processes and procedures, such as recruitment and selection, training and development, remuneration, and career management, to ensure that talented employees, who will help the organisation to meet its strategic objectives, remain with the organisation over a longer term (Hausknecht et al., 2009). Although other definitions are also found in literature (see Section 2.3), this is the definition that links retention closely with the human resource function of the organisation, and is therefore deemed the most appropriate.

Labour turnover (see Section 2.2): For the purposes of this research, labour turnover will be viewed from the perspective of the organisation, and will therefore be defined as an organisation permanently losing an employee, and consequently having to replace the employee (Chiboiwa et al., 2010; Grobler, Wörnich, Carrell, Elbert, & Hatfield, 2006; Samuel & Chipunza, 2009).

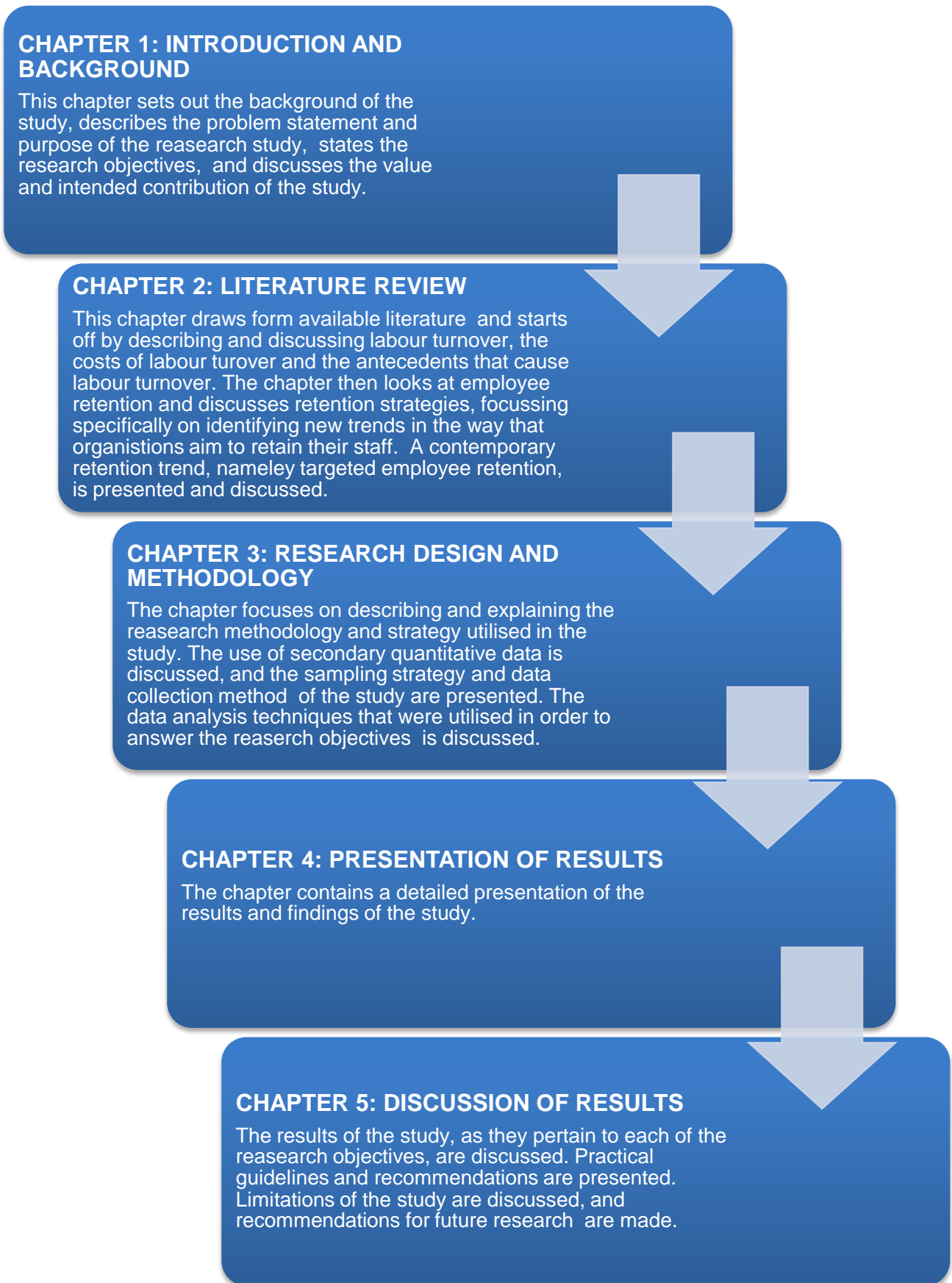
Blanket retention strategies (see Section 2.3.2): In order to define blanket or undifferentiated retention strategies, the present study will draw from the work of various researchers (Cappelli, 2000; Hausknecht et al., 2009; Steel, Griffeth, & Horn, 2002; Sutherland & Jordaan, 2004). Based on the definitions contained in these studies, the following definition of blanket/undifferentiated retention strategies was developed for the purposes of this study: Blanket retention strategies can be defined as broad-based retention strategies that are aimed at the entire workforce or a large component thereof. These strategies are undifferentiated, and are aimed at decreasing turnover across the board.

Targeted employee retention: Targeted employee retention is based on the assumption that the differences between employee groups or segments have an influence on retention dynamics (Horwitz, Heng, & Quazi, 2003; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001). For the purposes of the present study, these retention strategies are seen to be strategically designed to address turnover in specified employee groups or categories that are of exceptional value to the organisation (Hausknecht et al., 2009; Horwitz et al., 2003; Steel et al., 2002; Sutherland & Jordaan, 2004). Other definitions of targeted employee strategies are discussed in Section 2.3.2.

1.6 OVERVIEW OF THE STUDY

This study is presented in chapters, as illustrated in Figure 1-1 (p. 7).

Figure 1-1: Overview of the present study



1.7 CONCLUSION

Existing research confirms the strategic importance of retaining competent staff in organisations, in order to enable them to maintain a competitive advantage in a fast-changing and volatile business environment. Existing research on the subject of retention is generic in nature. The present study is aimed at identifying the dynamics underlying the retention of specific sub-groups of employees, in order to assist human resource practitioners to devise targeted retention strategies aimed at preventing unwanted labour turnover.

This chapter discussed the background of the study, laid out the problem statement and research purpose, defined the research objectives and key terms, and gave a brief overview of the study. The next chapter will describe, conceptualise, and discuss current literature on employee turnover and retention.

CHAPTER 2: A REVIEW OF THE LITERATURE ON EMPLOYEE TURNOVER AND RETENTION

2.1 INTRODUCTION

For the purposes of this study, it is only logical to identify, describe, and analyse employee turnover concepts and how these relate to employee retention. Employee turnover occurs first, and the effects thereof on the workforce forces employers to focus on employee retention and its associated strategies. Labour turnover and retention are no longer simple concepts, and the literature in these fields is growing.

This literature review draws from currently available literature, and starts off by defining labour turnover, and then discusses the categorisation of labour turnover, as well as the costs that labour turnover impose on organisations. The review then moves on to describe the all-important antecedents of labour turnover that can be used as a solid foundation for the study of employee retention and the formulation of retention strategies. The definition of retention and retention strategies leads to the discussion of traditional retention strategies versus more current retention strategies, which, in turn, results in the uncovering of a contemporary retention trend, namely targeted employee retention. Finally, the review summarises the available literature on targeted retention.

2.2 LABOUR TURNOVER

During the 21st century, extensive research results have been published in the field of labour turnover, and, consequently, many definitions and views of labour turnover have emerged. According to Abassi and Hollman (2000), labour turnover can be defined as the alternation of employees within the labour market, among organisations, occupations, and jobs, and between states of employment and unemployment. Another definition views labour turnover as an instance where an organisation permanently loses an employee, and consequently has to replace that employee (Chiboiwa et al., 2010; Grobler et al., 2006; Samuel & Chipunza, 2009). Some definitions express turnover as a ratio of the number of employees who terminated the employment relationship, divided by the average number of workers whom an employer employs during a specific period (Price, 1977),

while Cappelli (2000) stated that turnover is often expressed as the percentage of employees that leave an organisation in a specified period of time. WeiBo, Kaur, and Zhi (2010) brought to the fore that practitioners often view turnover as the entire process involved in filling a vacancy, regardless of how the vacancy came about. It is this last definition that implies that there is a need to categorise turnover according to who initiated the termination of employment.

Literature highlights that labour turnover should be categorised as either voluntary or involuntary (Dalton, Tudor, & Krackhardt, 1982; Sutherland & Jordaan, 2004; Swanepoel, 2008; Van As, 2001; WeiBo et al., 2010). The former is defined as the permanent termination of the employment contract by the employee (Sutherland, & Jordaan, 2004; Swanepoel, 2008). In contrast, involuntary turnover is initiated by the employer, and results in the permanent termination of the employment relationship (Sutherland & Jordaan, 2004; Swanepoel, 2008). The reasons for which the employee may initiate the termination can include, but is not limited to, job dissatisfaction, unsatisfactory working conditions, or the availability of more lucrative opportunities elsewhere. On the other hand, employer-initiated termination can include layoffs due to operational requirements, and dismissals as a result of disciplinary action (Sutherland & Jordaan, 2004).

Regardless of whether turnover is classified as voluntary or involuntary, the existing literature focuses mostly on the negative, dysfunctional, and costly impact that labour turnover has on an organisation (Chiboiwa et al., 2010; Dalton et al., 1982; Hausknecht et al., 2009; Hay, 2002; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Samuel & Chipunza, 2009; Sutherland & Jordaan, 2004; Taylor & Frank, 2004). Dalton et al. (1982), however, bring to light an important and interesting point by emphasising that not all labour turnover is detrimental to the organisation. While recognising that the management and reduction of labour turnover is a critical focus area for human resource practitioners, the authors stress that, in the case of voluntary turnover, the consequences may not always be negative. Some cases may present a situation where poorly performing employees leave the organisation, while more effective and valuable employees remain (Allen & Griffeth, 1999; Dalton et al., 1982; Sutherland & Jordaan, 2004). Such instances benefit the organisation by improving and stimulating effectiveness, productivity, creativity, mobility, and morale, and are therefore classified as functional or beneficial turnover

(Dalton et al., 1982; Sutherland & Jordaan, 2004; Swanepoel, 2008; Van As, 2001). Table 2-1 depicts the categorisation of turnover according to Dalton et al. (1982).

Table 2-1: The categorisation of labour turnover

			Organisation's evaluation of the individual	
			Positive	Negative
Employee's evaluation of the organisation	Positive	No initiation of voluntary turnover	Employee remains Both parties are positively disposed toward one another. Employment relationship persists.	Employment is terminated Organisation is negatively inclined toward the employee, and involuntary turnover is initiated.
	Negative	Initiation of voluntary turnover	Employee leaves the organisation Employees who are valued by the organisation leave. Dysfunctional turnover occurs	Employee leaves the organisation Poorly performing employees who are dispensable to the organisation leave. Functional turnover occurs

Source: Adapted from Dalton, Tudor, and Krackhardt (1982, p. 118).

Dalton et al. (1982) pointed out that, although a portion of voluntary turnover can be classified as functional, it still imposes certain costs on the organisation. Direct costs, such as recruitment, training, and administrative costs, are still inflicted on the organisation, but the turnover is classified as functional because, on balance, the organisation will benefit from the employment contract being terminated. For the purposes of the present study, attention will only be paid to voluntary turnover, and all labour turnover will be assumed to be dysfunctional, due to the costs that it imposes on the organisation.

2.2.1 THE COST OF LABOUR TURNOVER

In a study conducted by Hay (2002), which comprised of 300 companies from 50 different countries, it was found that employee turnover had risen by 25% in the previous five years. A similar trend has been reported in South African organisations. A survey conducted by P-E Corporate Services showed that employee turnover rose to a historically high level

(14%) in South Africa during 2001 (Sutherland & Jordaan, 2004). The high turnover rate represents a myriad consequences for industry in general. Literature suggests that employee turnover can impose both direct and indirect cost on employers. Direct costs include, but are not limited to, advertising, training, application fees, agency fees, reduced annual income, and lower stock prices (Sutherland & Jordaan, 2004; Taylor & Frank, 2004). Indirect costs are more difficult to quantify, and literature reveals that they may include reduced employee morale, lower productivity, the loss of customer satisfaction and loyalty, as well as the immeasurable loss of intellectual resources, which can significantly affect the competitiveness of an organisation in the current business environment (Sutherland & Jordaan, 2004; Taylor & Frank, 2004). The total cost of employee turnover is extremely difficult to ascertain, but Sutherland and Jordaan (2004) suggested that it is equal to 18 months of the employee's salary. It is clear that the repercussions of employee turnover run deep; it is therefore critical to ascertain and manage the causes of turnover effectively.

2.2.2 ANTECEDENTS OF TURNOVER

In order to better understand and, ultimately, effectively manage labour turnover, many studies have investigated employees' intention to leave an organisation, together with the reasons why they consider terminating the employment relationship. Employees' intention to leave an organisation is regarded as one of the most accurate predictors of labour turnover (Hausknecht et al., 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001; WeiBo et al., 2010). This notion is supported by a study conducted by the Corporate Leadership Council (1999), in which a strong correlation between intention to leave and actual turnover was found. An employee's behavioural intent is regarded as a good predictor of actual behaviour, and, therefore, reported intention of leaving is included as the dependent variable in many labour turnover studies (Hausknecht et al., 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001; WeiBo et al., 2010).

Merely determining whether an employee considers leaving an organisation is not enough. To truly comprehend employee turnover and its causes, an investigation and understanding of the factors that influence this decision are needed (Steel et al., 2002; Sutherland & Jordaan, 2004). Many causes of turnover have been cited in literature over

the past years (Abassi & Hollman, 2000; Allen & Griffeth, 1999; Cappelli, 2000; Chiboiwa et al., 2010; Dalton et al., 1982; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; McKay et al., 2007; Samuel & Chipunza, 2009; Sutherland & Jordaan, 2004; Swanepoel, 2008; Taylor & Frank, 2004; Vallabh & Donald, 2001; Van As, 2001; WeiBo et al., 2010). Despite all the research conducted in the field of labour turnover and employee retention, no consensus has been reached about the exact roots and causes thereof (Chiboiwa et al., 2010; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; WeiBo et al., 2010). In many ways, current employee turnover literature has provided us with more questions than answers, which Chiboiwa et al. (2010) ascribe this to the dynamic, complex, and changing nature of labour turnover. Table 2-2 summarises the factors that have been identified in literature as causes of employees' intention to leave an organisation.

Table 2-2: Factors that cause labour turnover

Turnover intention factor	Description	Influence on turnover	Sources
Job satisfaction	A positive attitude regarding one's work, resulting from an evaluation of the job's intrinsic and extrinsic elements.	Job satisfaction forms part of virtually every labour turnover study, and a clear negative relationship between job satisfaction and turnover has been found. Traditional literature viewed job dissatisfaction as one of the major causes of labour turnover. Recent literature has, however, highlighted that this link is weakening.	Chiboiwa et al., 2010; Grobler et al., 2006; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Steel et al., 2002; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001.
Organisational commitment	The degree to which an employee identifies with an organisation and displays positive behaviour and dedication to an organisation.	Turnover literature suggests that a high degree of organisational commitment among employees results in lower turnover. New studies have, however, revealed that even highly committed employees are leaving organisations. This has been attributed, in some cases, to the changing nature of the business environment.	Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001.
Employee's relationship with manager and fellow colleagues.	The quality of workplace relationships. Degree of trust, confidence, respect, and attachment that characterises relationships in the work environment.	Mixed findings have been published on this factor. Some studies found that the quality of relationships has little impact on employee turnover. Other studies have found that it is a significant consideration, but that either the relationship between the employee and managers is more important than the relationship with colleagues or <i>vice versa</i> . Others have found strong indications that both relationships are a strong determinant of labour turnover.	Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004.
Training and development	Availability, quality, and depth of basic, general, specific, technical, coaching, mentoring, management and leadership training, development, and learning opportunities.	Increasingly, opportunities for development, learning, and training of employees have become a crucial determinant in employees' decision to stay with or leave an organisation. Amidst the major talent shortages that organisations face, a significant relationship has been reported between the training and development of employees and labour turnover.	Chiboiwa et al., 2010; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004.
Employee engagement	A state in which employees are enthusiastic, emotionally attached, and fully involved in their work. They will, consequently, act in a way that furthers the organisation's interests.	This factor is increasingly mentioned in contemporary literature, which illustrates a strong positive relationship between employee engagement and labour turnover.	Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009.
Organisation's reputation and brand	The degree to which people perceive an organisation as reputable, prominent, and prestigious.	Literature acknowledges a definite link between labour turnover and an organisations brand and reputation. It is suggested that a good employer brand can aid in retaining employees.	Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009.

Table 2-2: Factors that cause labour turnover (continued)

Turnover intention actor	Description	Influence on turnover	Sources
Diversity management	An organisation's ability to incorporate and manage employees from diverse backgrounds in a productive and constructive way.	South Africa is confronted with a situation where employees from various cultures, ethnic groups, and backgrounds have to be incorporated into the workforce. Legislation, such as the Employment Equity Act and the Skills Development Act, has a profound effect on the management of employees in organisations. Little research has been conducted on the relationship between an organisation's diversity management practices and turnover. The available literature, however, reveals that fair and consistent treatment of employees significantly increases employee retention.	Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Vallabh & Donald, 2001.
Strategic direction and faith in the organisation's leadership	Trust and confidence that the organisation's executive leadership has the capabilities to successfully manage and direct the organisation for the foreseeable future.	Lack of trust in the organisation's leadership and uncertainty about the future sustainability of the organisation have proved to increase labour turnover.	Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Steel et al., 2002; Sutherland & Jordaan, 2004.
Compensation	Intrinsic and extrinsic rewards that employees receive in exchange for executing organisational tasks.	Traditional turnover theories view the recognition and reward system of an organisation as the main strategy impacting on retaining employees. A lucrative, competitive, and comprehensive compensation package is often seen as the most effective way to decrease turnover. Recent studies have, however, argued that remuneration is no longer such a significant determinant in labour turnover. Traditional remuneration strategies have come under fire, and more attention has been paid to new, innovative, and comprehensive strategies that can help combat labour turnover.	Chiboiwa et al., 2010; Grobler et al., 2006; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001.
Career advancement opportunities	The extent of possibility for an employee to move to positions with more or different tasks, responsibilities, and authority, usually accompanied by an increase in remuneration.	Literature expresses a strong relationship between career advancement opportunities and labour turnover. Many possibilities for employees to be promoted, and the opportunity to take on additional responsibilities and tasks, reduce labour turnover. This factor has become more prominent in recent literature, which states that flatter organisational structures are reducing the amount of advancement opportunities within organisations.	Chiboiwa et al., 2010; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Steel et al., 2002; Sutherland & Jordaan, 2004.
Stress	A person's reaction (physical or mental) to situations where demands are placed on the individual, and the outcome is perceived as being unsure and important.	Many studies have focused on different sources of stress, and mixed results have been reported. Work-related stress, stress from an imbalance between work and personal commitments, and tension in work relationships are some of the causes of stress that have received attention. Some studies have reported that high levels of stress increase labour turnover, while other studies have shown that stress only has a minor effect on employees leaving the organisation.	Grobler et al., 2006; Hausknecht et al., 2009; Judge & Robbins, 2007; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004.

That there are so many antecedents of turnover, described in Table 2-2, makes it clear that labour turnover is a function of complex and multi-faceted dynamics. These antecedents have been at the centre of studies, and the findings have rendered insight into the concepts, methods, strategies, and variables that can be utilised in studying labour turnover, and have uncovered many factors that could possibly cause employee turnover. This understanding does not, however, in itself enable the lowering labour turnover. Practitioners have to go further by incorporating this knowledge when planning, designing, and incorporating retention strategies in organisations.

2.3 EMPLOYEE RETENTION

Over time, many definitions of retention have emerged. Conventional retention definitions focused on establishing a direct link between remuneration and retention (Chiboiwa et al., 2010; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Samuel & Chipunza, 2009; Sutherland & Jordaan, 2004; Swanepoel, 2008; Van Onselen, 2009; WeiBo et al., 2010). Retention was viewed as a simple concept, in which higher remuneration equalled increased employee retention (Van Onselen, 2009). Recent research has shown that remuneration is not the only factor that influences turnover, which led to more comprehensive definitions emerging. According to Kyndt et al. (2009, p.196), employee retention can be defined as “an organisation’s ability to ensure that their employees will keep on working for them, in order to maintain their competitive advantage.” Chiboiwa et al. (2010, p. 26) provided a definition that stated that “retention is a voluntary move by an organisation to create an environment which engages employees for a long term,” while, according to Samuel and Chipunza (2009), retention can be defined as the strategies that organisations implement to ensure that valuable employees do not leave the organisation, as turnover can have various adverse effects on the organisation. Hausknecht et al. (2009) closely linked retention with human resource practices by stating that retention involves the integration of human resource processes and procedures like recruitment, selection, training, development, remuneration, and career planning, in order to ensure that talented employees who will help the organisation to meet its strategic objectives remain with the organisation in the long term.

Although the definitions in literature differ from one another, a few common themes and issues can be identified, which can be considered the core concepts related to employee retention. These concepts are viewed as the foundations of retention for the purposes of the present study:

- Retention aims to engage and ensure the long-term employment of employees (Chiboiwa et al., 2010; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Samuel & Chipunza, 2009; Sutherland & Jordaan, 2004; Swanepoel, 2008; Van Onselen, 2009; WeiBo et al., 2010).
- Retention does not only address short-term objectives; the process focuses on the future. It is forward-looking, and takes a longer-term view of what the organisation aims to achieve. Future trends, shifts, changes, and challenges in the labour market are taken into consideration (Chiboiwa et al., 2010; Hausknecht et al., 2009; Van Onselen, 2009).
- Retention aims to equip organisations with employees who will enable the organisation to meet its strategic objectives (Chiboiwa et al., 2010; Hausknecht et al., 2009; Van Onselen, 2009).
- Retention is a comprehensive and holistic process that entails planned activities, processes, and procedures. Literature highlights the importance of human resource practitioners in retention, by stating that recruitment, selection, development, performance appraisal, and career- and succession planning play an important role in ensuring the long-term retention of employees (Hausknecht et al., 2009).
- The result of employee retention should be the improvement of organisational performance and effectiveness, in order to position the organisation in such a way that a sustainable competitive advantage is achieved (Chiboiwa et al., 2010; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Samuel & Chipunza, 2009; Sutherland & Jordaan, 2004; Swanepoel, 2008; Van Onselen, 2009; WeiBo et al., 2010).

2.3.1 TRADITIONAL RETENTION STRATEGIES VERSUS CURRENT RETENTION STRATEGIES

Employee retention and retention strategies are no longer simple concepts. The fickle business environment, which is ever-changing, requires organisations to consider these

concepts anew. Retention strategies suggested in existing literature focus on developing undifferentiated strategies that target the entire labour force, and are therefore only marginally effective (Cappelli, 2000; Hausknecht et al., 2009). In order to better understand how retention strategies have been used in the past, this section will briefly discuss some of the traditional retention strategies, and highlight some ideas for new and revolutionary thinking on retaining employees.

2.3.1.1 Compensation

Traditional turnover theories view the compensation system of an organisation as the sole or main strategy to retain employees. Cappelli (2000) stated that compensation is still one of the most popular retention strategies today. The organisation's ability to provide employees with a lucrative, competitive, and comprehensive compensation package is often seen as the most effective way to decrease turnover (Chiboiwa et al., 2010; Grobler et al., 2006; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001).

Traditionally, organisations have focused on uniform or 'one-size-fits-all' compensation packages that comprised both monetary rewards, such as salaries, bonuses, commissions, and incentives, as well as benefit components, such as insurance, gift vouchers, medical aid contributions, and additional leave (Chiboiwa et al., 2010; Grobler et al., 2006). The design of these packages focused on achieving both internal and external equity (Grobler et al., 2006). The former refers to employees' perceptions of whether the employer is rewarding them in proportion to the relative internal value of each job. This is traditionally achieved through a process of job evaluation (Grobler et al., 2006). External equity exists when an organisation compensates employees in proportion to the compensation being paid by organisations in the local labour market (Grobler et al., 2006).

The use of compensation (both monetary and non-monetary) as a retention tool has, however, generated a lot of debate among researchers (Chiboiwa et al., 2010). Some researchers highlighted that managers and human resource practitioners should never underestimate the power and importance of money in reducing turnover (Chiboiwa et al., 2010; Muedell & Rodham, 1998; Samuel & Chipunza, 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001), while others studies have consistently found that compensation

has only a minimal or no significant impact on the retention of employees (Cappelli, 2000; Hay, 2002; Kerr-Phillips & Thomas, 2009; Samuel & Chipunza, 2009).

Despite differences in opinion on whether compensation can be used as a tool to reduce turnover, there is no denying that remuneration will always form part of the employment relationship. It therefore makes sense to heed the words of Hay (2002), who stated that, although compensation might not be the most powerful method for reducing turnover, we cannot ignore it. Continuous research is therefore being done in the field of compensation, and new trends have emerged in an attempt to attract, motivate, and retain staff (Grobler et al., 2006). More recent compensation trends, as opposed to the traditional, undifferentiated compensation strategies, are briefly discussed below.

There has been a shift when it comes to pay increases, from across-the-board increases, where all employees in an organisation are given an equivalent pay increase, to merit- or seniority increases, where increases are linked (at least in part) to performance, or to the successful performance of a task for a certain length of time (Grobler et al., 2006; Steel et al., 2002). In fact, Steel et al. (2002) stated that across-the-board increases can do more harm than good, as it can lead to the increased retention of poorly performing employees, while driving away high-performing employees, due to the fact that they feel that their efforts are not sufficiently rewarded.

Person-based compensation systems have been implemented in many organisations, and, according to Grobler et al. (2006), this approach is currently one of the most frequently debated compensation issues in South Africa. Person-based compensation systems reward employees for accepting new or additional responsibilities or tasks. Broadbanding and skills-based pay are two popular forms of person-based compensation systems. Broadbanding does away with multiple salary grades, which can hamper the movement of employees, and replaces it with only a few salary grades, which enable organisations to easily move employees between bands, without constraints. Skills- or knowledge-based pay rewards employees for gaining and implementing a wide variety of skills and knowledge that is of use to the organisation. This system does not link compensation with hierarchical movement, but rather with the employee's self-development (Grobler et al., 2006; Horwitz et al., 2003).

Rather than paying employees for the time that they spend on the job, organisations are now moving towards linking employees' compensation directly to their work performance (Grobler et al., 2006; Horwitz et al., 2003). Such compensation usually consists of a basic amount paid to the employee, with possible additional compensation if the employee's performance or productivity exceeds a certain criterion. The rationale for this system is that, if employees recognise a direct link between rewards and performance, it will have a positive effect on their motivation, and ultimately increase productivity. Performance-based systems focus on the individual by incentivising an employee's own level of productivity. Some organisations, however, feel that individual incentives should be replaced by team incentives. In such cases, the achievements of teams are rewarded, instead of individual performance, in an attempt to stimulate co-ordination among employees/units, and to reduce competition amongst individuals in the organisation. Other organisations provide employees with profit-sharing plans, gain-sharing, and employee stock ownership plans. These plans link employee's rewards with the performance of the organisation as a whole, as opposed to the performance of individuals or teams (Grobler et al., 2006).

As mentioned earlier, indirect benefits have form part of traditional compensation strategies. Some research studies, however, highlighted that, in some cases, benefits have only a minimal impact on employee motivation, productivity, and, ultimately, retention (Grobler et al., 2006; Sutherland & Jordaan, 2004). Benefits represent a large part of an organisation's payroll expenses, and it is therefore imperative that organisations only provide benefits that are truly valued by employees. As a result, there has recently been a resurgence of flexible benefit plans. These plans, to a certain degree, provide employees with the opportunity to choose the benefits that they prefer from a list. Flexible benefits exist in many forms, from core benefit plans that provide employees with certain core (minimum) benefits and the opportunity to choose additional benefits from a list, to 'diner plans,' where employees can choose from different benefit packages, aimed at catering for the specific needs of different employee segments (Grobler et al., 2006).

In an attempt to retain senior employees specifically, unvested, long-term, or deferred compensation strategies have become popular (Cappelli, 2000; Grobler et al., 2006). These compensation strategies give an employee the opportunity to accumulate wealth, while ensuring that the employee has a long-term stake in the company (Grobler et al.,

2006). 'Golden handcuffs,' 'golden parachutes,' and signing bonuses that are paid in stages are popular forms of deferred compensation (Cappelli, 2000; Grobler et al., 2006). This type of compensation is, however, a double-edged sword. Cappelli (2000) warned that it is easily matched and surpassed by competitors, bought out with attractive 'golden hello's,' and that it contributes more to wage inflation than to the retention of high-value employees.

Cappelli (2000) argued that it is futile to try to reduce overall turnover. Managers and human resource practitioners should rather focus on retaining key employees, and then only for the period that the employer needs them. Compensation can easily be used to accomplish this. 'Hot skills premiums' could be offered to those employees who have skills and knowledge that are rare to find and critical for a company's success. When these skills and knowledge cease to be important to the company, or if the skills become easy to find, the premiums are terminated, ensuring employee retention only for the period that the employee is of critical value to the organisation.

Although the effectiveness of compensation in retaining talent is questionable, it is still a widely used retention strategy, and clear shifts can be seen from traditional, undifferentiated strategies to new and innovative compensation strategies, designed to support and improve employee retention (Cappelli, 2000; Chiboiwa et al., 2010; Grobler et al., 2006; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001).

2.3.1.2 Job design

The content, functions, and relationships that form part of a job can be powerful tools in reducing turnover- even more so than compensation (Cappelli, 2000; Steel et al., 2002). The design of a job has a large influence on job satisfaction, work motivation, and, ultimately, the retention of an employee (Cappelli, 2000; Chiboiwa et al., 2010; Grobler et al., 2006; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Steel et al., 2002; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001). Recent literature suggests that providing employees with challenging work that stretches their talents is one of the most powerful retention strategies (Ellet, Ellis, Westbrook & Dews, 2007; Hay, 2002; Horwitz et al., 2003; Sachdeva & Kumar, 2011; Samuel & Chipunza, 2009). Job design

approaches like job rotation, job enlargement, job enrichment, and designing work around work teams can be used to design motivation-intensive jobs that challenge workers, increase job satisfaction, and reduce turnover (Grobler et al., 2006; Steel et al., 2002).

Cappelli (2000) qualified this approach by saying that redesigning all the jobs in an organisation to make them challenging and motivating in an attempt to reduce overall turnover is unrealistic. He argued that market forces make reducing overall retention impossible, and that the focus should rather be on targeted retention. He identified a new trend in retention strategies, where employers redesign the jobs of those employee categories that are critical for the success of the company. The jobs of the employee groups that are critical for the success of an organisation should be designed in such a way that they optimise motivation, job satisfaction, and, ultimately, retention. The tasks that are removed from the job descriptions of these employees are usually repetitive, monotonous, and administrative in nature, and require little learning and social interaction. These tasks can therefore be given to individuals with low skills levels, who are easy to recruit. Turnover in the latter group will undoubtedly be very high, but it is not viewed as a problem, as these employees will be easy to replace. Turnover in the key employee categories will, however, be significantly lower, which will result in greater stability in those segments that are key to an organisation's success.

But is designing a job around a specific job category enough? Should we go even further? Some companies are venturing into uncharted territory by providing employees with the option of individual job customisation (Cappelli, 2000). Some companies provide this option to all their staff by providing them with the tools to design their jobs around their interests, ideals, and abilities. This process is complemented by managers who are able to tailor compensation, benefits, and assignments around individual requirements (Cappelli, 2000). Other companies provide this option only to their key employees. After formal assessments, these employees are provided the opportunity to design their own jobs in line with their individual goals and the operational requirements of the companies. The process is similar to that of the flexible diner benefit compensation plans discussed in Section 2.3.1.1, where employees can choose job design options from a set list. The value of the employee to the organisation determines the amount of options that the employee can choose from the list, and, therefore, the degree to which the employee can customise

his/her job (Cappelli, 2000). This approach, however, raises serious risks with regard to fairness and equity. Cappelli (2000) warned that, although individual job customisation presents challenges with regards to equity, legislation, and morale, these unusual and innovative approaches should not simply be disregarded. It might be a creative solution for a market that demands creativity.

Work schedules and work locations are also tools that have been used recently to optimise job design. The implementation of flexi-time and compressed work weeks have proven to result in a marked decrease in labour turnover (Grobler et al., 2006; Hausknecht et al., 2009; Ruch, 2000; Samuel & Chipunza, 2009). Technological advancements now provide employees with the opportunity to telecommute. Employees can now work from a wide variety of work locations, including their homes, while staying in touch via the Internet and continuous online communication tools (Grobler et al., 2006). Flexible work schedules and alternative physical work locations do, however, present their own disadvantages and challenges (Grobler et al., 2006), and some studies have found that they have only a limited impact on employee retention (Horwitz et al., 2003).

2.3.1.3 Social ties

According to Steel et al. (2002, p. 157), “research consistently finds that employees show a strong preference for the status quo,” while Cappelli (2000, p.108) stated that “loyalty towards companies may be disappearing, but loyalty to colleagues is not.” When an employee is faced with deciding between leaving a job that is familiar, relatively satisfactory, known, and where there are social ties, and a new job that is characterised by uncertainty and unfamiliarity, the employee’s inherent resistance to change will, in most cases, sway the decision in favour of the familiar job (Cappelli, 2000; Steel et al., 2002). This is supported by research done by Lee, Mitchell, Sablinski, Burton, and Holtom (2004), which showed that building community and establishing deep social ties in a workforce can help to decrease turnover. Initiatives that build and foster a social community in the work environment is now starting to form part of many organisations’ retention strategies. Establishing and, in some cases, even sponsoring, activities like golf leagues, action cricket squads, and investment clubs can help to establish social ties between employees, and ultimately tie employees to the organisation. This strategy does, however, worsen the trauma of an eventual and inevitable change in the workforce. Again,

Cappelli (2000) suggested that this strategy should only be used with employee segments that are of critical importance to the long-term success of the organisation.

2.3.1.4 Location

Strategically choosing the geographic location of operations that require the skills of certain employee groups can greatly aid in retaining employees (Cappelli, 2000). For operations that function in a rapidly changing environment and that require employees who are capable of innovation and constant involvement, high turnover might not be a bad thing, because a changing workforce means more exposure to fresh ideas. These operations can therefore be located in areas where these skills are freely available. Operations that require the workforce to be stable over a long period of time will derive greater benefit from being located in an area where the skills of these employee groups are not in high demand, for instance, in rural areas (Cappelli, 2000). This may not completely eradicate turnover, but it has the potential to significantly lower turnover (Cappelli, 2000). Initially convincing employees to move to such areas might be challenging, but it is not impossible, as living in rural areas also has its benefits, and once the employees are settled there, it is often difficult for them to relocate.

2.3.1.5 Recruitment and selection

Cappelli (2000) posed the question why companies always aim to recruit those employees who will be the most difficult to retain. He cited instances where organisations have been rewarded with highly productive and loyal workforces by changing their recruitment and selection processes. The aim is to shift the recruitment and selection priorities to focus on employees who can do the job, but who are not in such high demand. Companies that have been willing to appoint high-risk individuals, for instance, rehabilitated drug addicts and individuals with criminal records, have reported that, if properly managed, they are rewarded with a workforce that is hard-working, grateful, and loyal to the company. These employees are often first appointed in very low-level positions, and, once they have proven themselves and adapted into the discipline of the organisation, they are transferred into higher positions. Some companies have also reported positive results from shifting their recruitment focus from graduates from prestigious universities to those from community colleges, who are still able to fulfil the job requirements.

Research has shown that certain selection techniques can help organisations to reduce turnover (Steel et al., 2002). Contemporary application processes have moved toward the use of psychometric assessments in the selection process that can help to improve retention. Studies have shown that, with the use of psychometric assessments, human resource practitioners can select individuals with personality traits linked to employment stability (Scott & Reynolds, 2010; Steel et al., 2002). Studies have found that conscientiousness, as defined by the Five Factor Model, has a direct positive effect on retention (Okun & Finch, 1998; Scott & Reynolds, 2010; Steel et al., 2002). Psychometric assessments can also be used to ensure that a good person-job fit is achieved, which can increase job satisfaction, motivation, and, ultimately, retention (Scott & Reynolds, 2010).

2.3.1.6 Expectation-lowering training

According to Steel et al. (2002), realistic job previews have formed part of traditional retention strategies for years, but, recently, a new twist has been put on this 'classic' retention strategy. Organisations are now offering training where new employees are informed of how unmet expectations can lead to a reality shock and, ultimately, to the employee wanting to leave the organisation (Steel et al., 2002). The aim of the training is to create realistic expectations of the job and the organisation within each employee that joins the organisation, in order to prevent disappointment and frustration that might occur as a result of unrealistic expectations. Participants are often given the opportunity to share previous disillusionment experiences, the emotions connected to it, and the effects thereof. A significant advantage of this retention strategy is that it is an inexpensive intervention that is applicable and effective at all levels of the organisation, but especially among employees who have little work experience (Steel et al., 2002).

2.3.1.7 Adapting to turnover

Instead of fighting turnover, why not rather adapt to it? A rather bizarre notion, but one that Cappelli (2000) considered viable, because, sometimes, market forces will be too strong to reduce turnover. Cappelli (2000) described three ways in which companies can adapt to turnover, rather than resist it:

- In order to escape the turnover problem, companies have started to outsource skills categories in which they cannot curtail turnover, making it someone else's problem and expense.
- By simplifying and standardising jobs, and training employees to be able to perform multiple jobs, organisations can ensure that the impact of turnover is minimal.
- Instead of focusing on building long-term devotion and retention, companies are now starting to centre their work around short-term projects with clear time lines that require them to retain staff only for short, specified periods of time.

These strategies stand in contrast to the conventional literature on turnover and retention (Chiboiwa et al., 2010; Dalton et al., 1982; Hausknecht et al., 2009; Hay, 2002; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Samuel & Chipunza, 2009; Steel, et al., 2002; Sutherland & Jordaan, 2004; Taylor & Frank, 2004). These strategies propose that, rather than aim to reduce turnover, we must succumb to it. The negative impact of turnover on an organisation and its workforce is indisputable, and researchers agree that turnover cannot be left to continue unabated (Chiboiwa et al., 2010; Kyndt et al., 2009; Steel et al., 2002; Sutherland & Jordaan, 2004). It is therefore suggested that the strategies above should be used selectively, in cases where market forces are simply too strong to make the retention of employees feasible.

2.3.1.8 Co-operation

The talent war has placed major pressure on companies to compete for, appoint, and retain key employees (Cappelli, 2000; Hay, 2002). Recently, some companies have, however, yielded to the pressure and, instead of competing for these skills, opted for co-operating with their competitors to acquire the needed skills (Cappelli, 2000). In contrast with traditional human resource management models, some companies have started to lend teams of employees to one another. This approach ensures that companies retain their investment in key employees, even though they might work for competitors for a short period of time. The company derives an income for the period that employees are lent to competitors, and it provides employees with a wide range of challenging work tasks that expand their knowledge, which can later be used by the company. Cappelli (2000) suggested that this strategy might become even more prominent in the future, as it poses a creative way to adapt to market forces. He warned that human resource practitioners will

be challenged to abandon the traditional notion that the workforce is a captive and proprietary asset. In order to be competitive, organisations will have to learn that effectively releasing your talent might be the most effective way to retain talent in the longer term.

It is clear from the discussion above that more current retention strategies differ quite significantly from the traditional approaches to retention. The rapidly changing environment, the war for talent, market forces, and the changing needs of employees are forcing managers and human resource practitioners to think anew about retention strategies. The discussion on contemporary compensation systems, job design, social ties, location, recruitment and selection, and even co-operation, has led us to one of the most prominent trends in employee retention — targeted employee retention.

2.3.2 TARGETED EMPLOYEE RETENTION

Organisations are moving away from blanket retention strategies, to targeted retention strategies. Blanket retention strategies can be defined as broad-based retention strategies that are aimed at the entire workforce or a large component thereof (Cappelli, 2000; Hausknecht et al., 2009; Steel et al., 2002; Sutherland & Jordaan, 2004). These strategies are undifferentiated, and are aimed at decreasing turnover across the board (Cappelli, 2000; Hausknecht et al., 2009; Steel et al., 2002; Sutherland & Jordaan, 2004). Targeted employee retention is based on the assumption that market forces and the war for talent are too intense to make long-term, across-the-board employee loyalty possible, and that the differences between employee groups or segments have an influence on retention dynamics (Cappelli, 2000; Horwitz et al., 2003; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001). Targeted or focused retention strategies are therefore customised for specific target audiences within the organisation (Cappelli, 2000; Hausknecht et al., 2009; Horwitz et al., 2003; Ruch, 2000; Steel et al., 2002; Sutherland & Jordaan, 2004). These strategies are strategically designed to address turnover in specified employee groups or categories that are of exceptional value to the organisation (Hausknecht et al., 2009; Horwitz et al., 2003; Steel et al., 2002; Sutherland & Jordaan, 2004). These strategies are aimed at reducing turnover in specified employee groups or categories, where turnover may stem from specific organisational problems (Steel et al., 2002). These strategies are

further aimed at a well-defined population, while being careful not to alienate employees who do not fall within the target population (Ruch, 2000; Steel et al., 2002).

The target groups that have been focused on in targeted retention literature are classified according to tenure, age, level of education, number of children, employee performance groups, management level, gender, race, and employees with rare and valuable skills. The discussion that follows discusses this targeted retention literature on these variables.

2.3.2.1 Tenure

Research indicates that there is a strong positive relationship between retention and an employee's length of service (Chiboiwa et al., 2010; Hausknecht et al., 2009; Kynndt et al., 2009). Results suggest that the longer employees have been with an organisation, the less they are inclined to leave. This seems to be consistent with the principles discussed in Section 2.3.1.3, which dealt with employees' resistance to change, and their preference for the status quo (Steel et al., 2002). Implications of this knowledge are that organisations should develop targeted retention strategies for employees who are new to the organisation, and drive these strategies with conviction, to ensure that they are visible from the moment that an employee joins the organisation. The longer an organisation can hold on to an employee, the less effort will be required to retain the employee.

2.3.2.2 Age

The retention of workers from different age groups has also received attention in literature (Claes & Heymans, 2008; Griffeth, Hom & Gaertner, 2000; Kynndt et al., 2009; Ruch, 2000; Sutherland & Jordaan, 2004). Kynndt et al. (2009) found that a significant positive correlation exists between an employee's age and retention, while Griffeth et al. (2000) stated that this correlation is even stronger among women. Their study found that women are more likely than men to remain in an organisation as they age. Interestingly, Sutherland and Jordaan (2004) found that, among knowledge workers, there is a group of young employees, specifically from Coloured and Asian descent, who show little need for individualism. They also identified a group of young employees who are characterised by a high need for career change, and a group of young males who prefer to take ownership of their own career development.

These research findings suggest that companies must make a clear distinction between the retention policies for young workers and older workers, and that it might be more beneficial to invest heavily in the retention of young workers, as they are more likely to leave. Ruch (2000) focused on the retention of young employees between the ages of 25 and 34 years (Generation X). Research pertaining to these workers brought to the fore that targeted retention strategies for young workers should comprise novel marketing, training and development practices, an organisational culture that supports and fosters continuous employee learning through coaching and mentoring programmes, internships, and rotational initiatives and knowledge-sharing. The research emphasised that these retention policies must be practical, and that organisations must focus on establishing a strong organisational brand, which must be used to attract and retain young employees.

Although a lot of emphasis has been placed on the retention of young employees, Claes and Heymans (2008) stated that, due to demographical changes in the workforce and an early retirement culture that is starting to manifest, it is just as critical to retain older workers. Their study found that effective targeted retention strategies aimed at older workers can comprise traditional retention practices, including effective career management, training and development, re-socialisation, performance management, competitive compensation and incentives, retirement planning, effective communication, and the re-design of older workers' jobs. More contemporary practices like flexible work schedules, strategies that stimulate pro-active behaviour, the provision of increased organisational and social support, and the implementation of co-operation agreements, where the skills of older workers are utilised in other companies, have also been found to aid the retention of older workers.

The retention of both young and old workers is critical to the success of an organisation. The loss of young employees can bring about a shortage of employees with specialised technical and technological skills, and can result in limited new, innovative, and creative ideas (Ruch, 2000). The loss of older workers implies the loss of employees with years of knowledge, experience, and skills that can prove critical to an organisation's success (Claes & Heymans, 2008). Research clearly illustrates that the needs of young and older workers differ, and, therefore, targeted retention strategies that separately address the

needs of both groups could prove much more effective than blanket retention strategies (Claes & Heymans, 2008; Griffeth et al., 2000; Kyndt et al., 2009; Ruch, 2000; Sutherland & Jordaan, 2004).

2.3.2.3 Level of education

Depending on the nature of an organisation's operations, employees with a certain level of education can be critical for the competitiveness and future sustainability of the organisation. For some organisations, especially in the production industry, the retention of employees with only basic education might prove vital, while organisations in specialised industries like engineering and information technology are largely dependent on the knowledge of highly educated workers. Targeted retention research, with specific reference to the level of education of employees, has therefore emerged (Griffeth et al., 2000; Kennedy & Daim, 2012; Kyndt et al., 2009; Sutherland & Jordaan, 2004).

One study reported a significant negative correlation between employee retention and level of education, implying that turnover among highly educated employees is higher than among their less educated counterparts (Kyndt et al., 2009). The case for targeted retention based on educational level is further supported by a study conducted by Sutherland and Jordaan (2004), which identified a distinct group, consisting of highly educated male employees, who showed little need for the organisation to assist them in their development. These findings emphasise the fact that targeted retention might be most successful. Kennedy and Daim (2012), however, highlighted that, although there are grounds for targeted retention strategies based on educational level, more focused research is required in this field.

2.3.2.4 Number of children

Targeted retention strategies that focus on employees with and without children have also been under study (Glass & Riley, 1998; Griffeth et al., 2000; Kyndt et al., 2009; Steel et al., 2002). Griffeth et al. (2000) and Kyndt et al. (2009) found that the number of children has a significant impact on employee retention. Studies report that young female employees with children are more inclined to leave organisations due to family responsibility issues than their male counterparts who do not have primary child-rearing responsibilities (Griffeth et

al., 2000; Steel et al., 2002). The studies also emphasised that targeted retention strategies should not only consider whether an employee has children or not, but also the age of these children (Glass & Riley, 1998; Griffeth et al., 2000; Steel et al., 2002). Research suggests that turnover is high among employees who have young (pre-school) children, and that the effect of the number of children on turnover reduces as employees' children grow older (Glass & Riley, 1998; Griffeth et al., 2000). Tailoring retention strategies for employees with young children, rather than for all employees with children, might prove more effective.

2.3.2.5 Employee performance groups

As discussed in Section 2.2, labour turnover does not always have a negative impact on an organisation (Dalton et al., 1982). In some instances, the departure of poorly performing employees, while high-performing employees remain, can have a beneficial impact on the organisation (Allen & Griffeth, 1999; Dalton et al., 1982; Sutherland & Jordaan, 2004). Targeted retention strategies that focus on the retention of high-performing employees, specifically, have therefore recently come to the fore (Cappelli, 2000; Griffeth et al., 2000; Hausknecht et al., 2009; Steel et al., 2002). Targeted retention research findings in this field can be summarised as follows:

- Turnover among poorly performing employees is higher than turnover among high-performing employees (Griffeth et al., 2000; Hausknecht et al., 2009; Steel et al., 2002).
- Turnover among average-performing employees is lower than the turnover among high-performing employees, and also lower than the turnover among low-performing employees (Cappelli, 2000; Steel et al., 2002).
- The reasons why employees from different performance groups stay with or leave an organisation are different, strengthening the argument for the development and implementation of targeted retention strategies for these groups (Griffeth et al., 2000; Hausknecht et al., 2009; Steel et al., 2002).
- Average performers are most likely to be content with their present situation, and because they are not in such high demand in the labour market, turnover among these employees is lower (Cappelli, 2000; Steel et al., 2002).

- Reasons why poor performers leave a company are often related to poor performance appraisals received, and limited pay increases and incentives (Steel et al., 2002).
- Reasons why high performers leave a company have been found to be related to limited training and development opportunities, the use of collective reward programmes instead of merit- or performance-based compensation programmes, and more lucrative alternatives in the external job market (Cappelli, 2000; Griffeth et al., 2000; Steel et al., 2002).
- High-performing employees are more likely to stay with an organisation, due to the social ties that they have in an organisation, the advancement opportunities that are available for them, a high level of job satisfaction among these employees, and the presence of organisational justice and prestige.

By studying the turnover and retention of specific performance groups, a company has the opportunity to investigate and mitigate the factors that underlie their most damaging losses, the turnover of high-performing employees, while still managing the turnover of other performance groups (Steel et al., 2002).

2.3.2.6 Gender

Research has been conducted to determine whether there is a difference between the turnover figures of men and women, and whether gender has an influence on turnover dynamics (Glass & Riley, 1998; Griffeth et al., 2000; Kyndt et al., 2009; Steel et al., 2002; Sutherland & Jordaan, 2004). Research findings in this regard are, however, inconclusive. In a study conducted by Kyndt et al. (2009), no significant correlation could be found between employee retention and gender. On the other hand, a meta-analysis conducted by Griffeth et al. (2000) found that the labour turnover rates for men and women were equal, but that their reasons for leaving were different, which suggests that there may be grounds for developing targeted retention strategies for the different genders (Glass & Riley, 1998; Griffeth et al., 2000; Steel et al., 2002; Sutherland & Jordaan, 2004).

Steel et al. (2002) stated that turnover among women is far more likely to stem from family-related considerations. Griffeth et al. (2000) supported this, and added that reasons for leaving an organisation that relate to family responsibilities are more common among

younger women than among their older counterparts. Steel et al. (2002) also found that incidents of sexual harassment and fewer opportunities for career advancement are more often cited as reasons for leaving by women than by men. Glass and Riley (1998) concluded that retention strategies that provide employees with extended maternity leave, policies that regulate overtime work after maternity leave, family-supportive policies, and policies that accommodate pregnant employees can greatly aid in the attraction and retention of female employees. The study also highlighted that the degree to which pregnant women receive support from the people in their work environment can greatly contribute to employee retention. Importantly, a study conducted in South Africa by Sutherland and Jordaan (2004) found that, among knowledge workers, groups with distinct identities could be found. The study found that, among knowledge workers, there was a predominantly female group who showed a strong need for personal comfort in the work environment, and a distinct desire to fit in with the organisational culture. In contrast, the study also found the presence of a predominantly male group that took responsibility for their own self-development, which implies that retention strategies consisting largely of employee development programmes may be ineffective when trying to retain these male employees. Despite its exploratory nature, the study provides a basis for possible further research with regards to targeted employee retention in South Africa.

The retention of employees of a certain gender group is even more pertinent in the South African context. South African labour legislation has unique influences on the mobility and movement of employees in the labour market, and places unique pressures on organisations to effectively attract, select, and retain certain employee groups (Kerr-Phillips & Thomas, 2009; Vallabh & Donald, 2001). Legislation in South Africa aims to ensure the equitable participation, representation, development, and advancement of employees from designated groups (Africans, Coloureds, Indians, women, and people with disabilities) across the entire workforce (Broad-Based Black Economic Empowerment Act, 2003; Employment Equity Act, 1998; Skills Development Act, 1998). The dynamics that emerge in the labour market due to the abovementioned legislation are complex. Employees from designated groups, which include women, are in high demand, and the targeted retention of these employees is therefore critical.

2.3.2.7 Population group

As with gender, the retention of employees from certain population groups poses a specific challenge for South African organisations. Africans, Coloureds, and Indians are all designated groups, as specified by the Employment Equity Act of 1998. To ensure compliance with legislation, and to help South Africa in realising its goal of creating and sustaining an equitable workforce that redresses the discrimination of the past, the attraction and retention of employees from specific race groups is imperative.

Due to the importance of achieving employment equity, research in this field has been extensive, and quite a few studies have, at least in part, focused on the retention of designated groups (Booyesen, 2007; Kerr-Phillips & Thomas, 2009; Sadler & Erasmus, 2003; Selby & Sutherland, 2006; Sutherland & Jordaan, 2004; Thomas, 2002; Vallabh & Donald, 2001). The following retention issues have been highlighted in these studies:

- The retention rate of Black recruits is very low, resulting in slow employment equity progress, especially at management level.
- Eurocentric organisational cultures that do not truly value diversity have a negative impact on the retention of employees from the designated race groups.
- Fear and anxiety experienced by White male employees, brought about by employment equity policies, have been identified as barriers that inhibit the progress of employment equity.
- Lack of leadership commitment with regard to the attraction and retention of designated employees is a problem.
- Black employees are not fully integrated into the workforce, which results in the under-utilisation of Black employees, and to feelings of alienation, which result in high turnover among these employees.
- There is a general lack of talent management strategies to assist designated employees through career planning, growth, training and development, coaching and mentoring, and advancement opportunities, which negatively impacts on employee retention.
- Not enough attention is paid to focused, co-ordinated, and integrated retention policies to combat the high turnover among designated race groups.

- Communication regarding diversity management is inadequate within organisations, which contributes to employee turnover.

Despite the available research on the turnover and retention of specific population groups, it appears as if little progress has been made in developing, implementing, and reviewing the effectiveness of racially based targeted retention strategies. The question remains whether racially based targeted retention strategies can assist South African organisations in attracting and retaining the right balance of employees.

2.3.2.8 Management level

Another field of targeted retention that has been touched on, albeit to a lesser extent, is the retention of managerial versus non-managerial employees (Chiboiwa et al., 2010; Griffeth et al., 2000; Hausknecht et al., 2009). Research results with regards to the retention of managerial and non-managerial employees and the dynamics that underlie the retention of these employees have been contradictory.

The meta-analysis conducted by Griffeth et al. (2000) found that, although the management level of employees did not have a direct effect on retention, an employee's management level served as a moderator for the age-turnover correlation. The study concluded that turnover is higher among older, male employees on an executive level. Contrary to that, Chiboiwa et al. (2010) found that turnover is very high among non-managerial employees. They recommended that targeted employee retention strategies for non-managerial employees should focus on implementing relevant remuneration practices, improving working conditions, and addressing issues related to job insecurity.

Hausknecht et al. (2009) reported that there are distinct differences in the turnover dynamics of employees on different job levels. They reported that managerial employees stay with organisations for reasons such as promotional opportunities, job satisfaction, commitment to a company, organisational justice, and organisational status, while rewards and flexible work schedules become less important as employees move up the management ladder. Although not properly established yet, there seems to be grounds for the development of targeted retention strategies according to management status. More research is, however, required in this area (Hausknecht et al., 2009).

2.3.2.9 Employees with rare and valuable skills

Retaining employees with certain skills that are both rare and critical to organisational success has been the subject of targeted retention literature in recent years (Cappelli, 2000; Ellett et al., 2007; Horwitz et al., 2003; Mohlala, Goldman, & Goosen, 2012; Ruch, 2000; Skytt, Ljunggren, & Carlsson; 2007; Sutherland & Jordaan, 2004; Swanepoel, 2008). Findings recorded in these studies are in line with Cappelli's (2000) view that, due to market forces being too strong, across-the-board retention is impossible, and therefore mobility should be combated only in those employee groups that are critical to the success of the organisation. Retention strategies that target employees with the skills that are the lifeblood of an organisation can be much more beneficial than trying to achieve overall employee retention. Nurses, welfare professionals, and knowledge workers (especially information technology professionals) have all been identified as employees who have to be targeted.

Certain studies have looked at certain professions, and tried to determine the dynamics that influence the retention of these groups (Ellett et al., 2007; Skytt et al., 2007). Skytt et al. (2007) concluded that first-line nurse managers left their jobs due to major organisational changes, lack of support and feedback, a low level of trust in management, dissatisfaction with remuneration, unclear working conditions, and the lack of opportunities for continuous education and development. Ellett et al. (2007) attributed the high turnover rates among welfare professionals to work overload, insufficient compensation, lack of recognition, lack of proper development opportunities, absence of coaching and mentoring programmes, lack of clarity in job descriptions, and limited career advancement opportunities.

Other studies have focused on professions that fall within the realm of knowledge work (Alvesson, 2000; Horwitz et al., 2003; Mohlala et al., 2012; Ruch, 2000; Sutherland & Jordaan, 2004; Swanepoel, 2008). Knowledge workers have been described as those employees who possess vital knowledge that organisations need in order to be competitive (Alvesson, 2000; Horwitz et al., 2003; Ruch, 2000). Knowledge workers are continuously learning, and are responsible for transferring essential information in an organisation (Ruch, 2000; Sutherland & Jordaan, 2004). These workers are usually highly qualified, and possess essential knowledge about a company's processes, procedures,

customers, and competitive advantages (Alvesson, 2000; Ruch, 2000). The knowledge that these employees have is a valuable resource for any organisation (Alvesson, 2000; Horwitz et al., 2003; Ruch, 2000; Sutherland & Jordaan, 2004). Knowledge work is often characterised by ambiguity, uncertainty, and complexity, and requires skills such as intuition, creativity, flexibility, social skills, and analytical thinking, in order to solve problems and ensure an absolute command of technology (Alvesson 1993; Ruch, 2000). Because the loss of knowledge workers can endanger the competitiveness and sustainability of an organisation, the retention of these workers has become critically important.

Sutherland and Jordaan (2004) found that the most important factors affecting the retention of knowledge workers are challenging work, trust in an organisation's management, the availability of career advancement opportunities, attractive rewards and incentives, recognition for above average work performance of individuals, the opportunity to work independently, formal career planning, a good inter-personal relationship with the knowledge worker's manager, and effectively addressing grievances and issues raised by the workers. The following factors did not prove to be important in the retention of knowledge workers: performance review results, organisational change, work stress, benefits, their physical work environment, social ties at work, ease of travel to and from work, availability of external opportunities, and emigration intentions of employees. These authors also reported that, within their sample of knowledge workers, they could identify nine distinctive groups that might require separate retention strategies.

Horwitz et al. (2003) obtained similar findings in their study that took a closer look at the most popular strategies for retaining knowledge workers and the effectiveness of these strategies. They reported that the most popular retention strategies were performance incentives and bonuses, competitive compensation packages, challenging work tasks, the opportunity to plan and work independently, and support from top management. Of these strategies, challenging work tasks, competitive compensation packages, performance incentives and bonuses, and top management's support were not only the most popular, but also among the most effective. Opportunities to develop in a specialist field was one of the most effective strategies, but not among the most popular. The following retention strategies were found to be the least effective in retaining knowledge workers: flexible

work schedules, having a critical mass of knowledge workers, transparency in compensation practices, workplace fun, and financial contributions towards conference and study costs.

Some targeted retention research in South Africa has focused specifically on the retention of information technology professionals. Mohlala et al. (2012) stated that, for most organisations, information technology employees are vital if they want to achieve their strategic objectives. South African firms are facing a shortage of sufficiently skilled information technology professionals, and turnover among these professionals is high because these employees are in high demand (Mohlala et al., 2012; Swanepoel, 2008). Swanepoel (2008) found that open management practices have the potential to significantly reduce turnover among information technology professionals in small firms. Transparency of financial, trade, and pay information, coupled with human capital development, flexible work schedules, and the positive growth rate of the company had a significant impact on employee turnover. Transparency of strategy was not reported as having a significant impact on the retention of these workers. Mohlala et al. (2012) stated that the lack of formal retention strategies, the inability to retain talent, broken promises, inappropriate management styles, insufficient authority to address reward issues, unattractive compensation packages, outdated technology, disinterest of information technology professionals to stay in a job for long, and continuous organisational restructuring are some of the challenges that organisations face in retaining information technology professionals.

The findings of the studies on the retention of critical skills seem to support the notion that targeted retention strategies can assist companies in retaining those employees who are most important to the organisation. Research into a wide range of professions appears to still be limited.

2.4 CONCLUSION

Extensive research in the field of labour turnover was published during the 21st century. Research that highlights the high monetary cost and other negative repercussions of

employee turnover has forced organisations to realise the importance of researching and managing employee turnover.

Literature thus far on employee turnover primarily focussed on the turnover dynamics of the workforce at large, and aimed to identify the causal roles that variables, such as job satisfaction, organisational commitment, employee engagement, compensation, and a wide range of other organisation behaviour variables play in employees' decisions to leave an organisation.

Employee retention and retention strategies are no longer simple concepts. The fickle, ever-changing business environment requires organisations to think anew about these concepts, and the focus of employee retention research has therefore gradually moved away from viewing monetary benefits as the most important determinant of retention, to a focus on:

- Recognising the importance of adapting specific organisation processes such as compensations systems, job design, the geographical location of certain operational functions, and recruitment and selection processes to lower employee turnover;
- Emphasising the importance of psycho-emotional variables by implementing retention strategies that focus on establishing and strengthening the social ties between employees; and
- Realising that blanket approaches to managing retention do not achieve optimal results.

A number of studies confirmed that retention dynamics differ vastly between employees from different biographical groups, and the motivation for targeted employee retention is therefore evident in the literature. Targeted retention strategies aimed at improved retention of employees who are critical to the success of an organisation can be developed based on biographical variables such as tenure, age, education level, number of children, gender, population group, hierarchical level, and the skills levels of employees.

The present study aims to contribute to the growing literature on targeted employee retention by investigating employees' intention to leave and their reasons for considering leaving the company, while testing whether these factors differ, depending on employees' biographical characteristics, including gender, population group, management status, and

type of work performed. The research design and methodology that were followed in order to answer the research objectives are discussed in the next chapter.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

Selecting the optimal research design and methodology is extremely important, as both have a significant impact on the value that is derived from the research process. This chapter describes the research methodology and design utilised in this study. Specific focus is placed on the use of secondary data in research, and the suitability of the secondary data used in this study. The composition of the research sample is discussed, and the data collection method and the survey instrument used are also examined. The data analysis procedure is described in terms of data recording and storage, preparation of the data for analysis, accuracy and completeness of the data, and analysis techniques employed. Finally, attention is paid to assessing and demonstrating the quality and rigour of the research design by discussing possible measurement bias, as well as the ethical considerations that were relevant to this study.

The changing landscape of work is forcing organisations to invent and implement new and innovative ways of gaining a competitive advantage in the marketplace. Rapidly changing political, cultural, technological, and economic factors are having profound effects on the world of work (Greenhouse, Callanan & Godschalk, 2007). Retaining a healthy, happy, and productive workforce is vital, and research in this area is urgently needed (Hausknecht et al., 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001). Organisations cannot ignore the dynamic nature of the business environment; they need to ‘decode’ the factors that influence employee retention, in order to maintain and ultimately retain a knowledgeable, talented, and valuable labour force. Conducting research in this field can be approached in three ways: quantitatively, qualitatively, or using a mixed-methods approach. Each approach will render different, but valuable results that will enable practitioners to better understand employee retention (Creswell, 2009). For the purposes of the present study, raw, unanalysed quantitative data that were gathered during an employee satisfaction survey were used to gain a better understanding of labour turnover and employee retention within the South African financial services industry.

The use of secondary data involves re-analysing and answering new questions, using existing data (Glass, 1976). Saunders, Lewis and Thornhill (2009) stated that, although secondary data are not often considered for use in research projects, such data represent a valuable source from which research questions can be answered. The present study used the raw data from an ad hoc employee satisfaction survey conducted by a large financial services institution in South Africa.

Glass (1976) claimed that some of the top methodologists have utilised secondary data in such a way that its importance has outshone that of primary data. Similarly, Saunders et al. (2009) stated that the use of secondary data presents the researcher with many advantages. The use of secondary data saves a lot of time, money, and other resources. Secondary data often present the researcher with the opportunity to analyse large data sets of superior quality, which would have been impossible if primary data were to be collected. It also enables the researcher to investigate phenomena in an unobtrusive way, and is especially suited when sensitive subjects have to be studied. The analysis of secondary data also holds the possibility of uncovering new and unexpected results. During secondary analysis, the data is approached and analysed from a different angle, and, often, revolutionary discoveries are made.

As with any research method, using secondary data is not without its drawbacks. When using secondary data, the researcher is required to use data that were obtained for one specific purpose and apply it for a different purpose, namely answering the current research question/s (Saunders et al., 2009). Initial primary reports and findings based on the data may influence the current research project, and may result in bias and distortion when the secondary findings are interpreted and reported (Saunders et al., 2009). Secondary data that were collected in the past may be too old to use for the purposes of current research. Access to secondary data sources may be difficult and costly to negotiate and, because the data are already in existence, the researcher has little power over the quality of the data and the data set (Saunders et al., 2009). The definitions and variables in a secondary data set may be inappropriate or markedly different from the constructs in the current research project, even if they seem similar on the surface (Saunders et al., 2009). Of importance is that the researcher should take cognisance of these disadvantages, and a careful analysis should be done to determine whether the

advantages of using secondary data outweigh the possible drawbacks (Saunders et al., 2009). Saunders et al. (2009) suggested that the disadvantages of secondary data can be mitigated by carefully evaluating the secondary data sources. For the purpose of the present study, the suitability of the data was established by looking at the suitability of the measurement to answer the question in the current study, as well as the reliability and validity of the measuring instrument.

It should be noted that only certain sections of the survey data were utilised for the purpose of the current study. The data set that was used contained responses to two questions related to employee retention. Firstly, respondents were asked to indicate whether they were currently considering leaving the organisation by answering *Yes* or *No*. Respondents who indicated that they were currently considering leaving the organisation were asked to indicate why they were considering leaving by choosing from a list of ten possible reasons. If the respondents did not agree with any of the options provided, they could indicate the option *Other*, and then give a written answer to indicate why they were considering leaving the company.

The fact that the data contained in the secondary data set that was used were similar to the data used in various other labour turnover and retention studies further strengthened the reliability, validity, and, ultimately, the suitability of the data, as suggested by Chiboiwa et al. (2010), Kerr-Phillips and Thomas (2009), Kyndt et al. (2009), Samuel and Chipunza (2009) and Sutherland and Jordaan (2004). All these researchers used a statement equivalent to: *Are you currently considering leaving the organisation?* as an indicator of turnover, and then investigated reasons for wanting to leave, using options similar to those provided in the data set that was utilised in the present study. The *Yes* and *No* answers in response to the item *Are you considering leaving?* and the ten options listed as *Reasons for considering leaving the organisation* were coded, which rendered quantitative data. A major advantage of the data that were used was that it did not consist of quantitative data, but also included qualitative data. If respondents felt that the list of reasons for considering leaving the organisation did not contain an accurate reflection of their feelings, they could give a qualitative answer, stating their primary reason/s for considering leaving the organisation. This option effectively ensured that no restriction was placed on the possible reasons that could be provided. The qualitative section increased the variety of the data,

and ultimately enhanced the quality of the research findings. The qualitative reasons for considering leaving were also coded and treated as quantitative data. A quantitative research approach was therefore utilised in the present research study.

According to Babbie (2008), a quantitative research approach enables a researcher to describe and/or explain certain phenomena in an accurate and scientific manner. A quantitative research design is appropriate for studying large populations, and renders nominal data that are standardised, and that can be analysed through quantitative techniques, which will provide statistically verifiable results (Babbie, 2008; Creswell, 2009).

The quality of the present study was improved by employing an appropriate quantitative approach to analysing the secondary data (Creswell, 2009). Equal weight was assigned to the quantitative and qualitative responses (which were coded), when analysing responses to the item *Reasons for considering leaving the organisation*. The quantitative approach provided insight, understanding, and knowledge regarding labour turnover and retention in the organisation, and was therefore the most appropriate research design for this study (Creswell, 2009).

3.2 CLASSIFICATION OF THE RESEARCH DESIGN

In broad, the research design of this study can be described as empirical, cross-sectional research that utilised secondary numeric data that were analysed with the aim of accurately describing employee retention, especially as it pertains to certain segments of the respondent sample. This study was undertaken to better understand the labour turnover process, and to expand on existing labour turnover and retention research. Therefore, the present study can be classified as a fundamental study (Saunders et al., 2009). Since no variables were manipulated during this study, as is required in experimental and quasi-experimental research (Leedy & Omrod, 2005), the present study is classified as non-experimental research.

3.3 SAMPLING

The survey was conducted in a single, large organisation within the financial services industry. The organisation is located in Johannesburg, South Africa, and, at the time that the survey was conducted, the company employed a total of 3842 permanent staff members. All employees were given the opportunity to participate in the survey, either electronically via their intranet or by means of paper-and-pencil-based questionnaires, depending on whether they had access to a computer. A total of 3123 employees completed the survey, yielding a response rate of 81.13%. The questionnaire included various biographical items, which enabled the researcher to determine the composition of the sample. The composition of this sample is depicted in Tables 3-1 to Table 3-4, below.

Table 3-1: Sample composition: Gender

	Frequency	Percentage
Male	1407	45.05
Female	1710	54.76
No response	6	0.19
Total	3123	100.00

The sample consisted of 9.71% more women than men. The composition of this sample is in-line with the population of South Africa, according to the mid-year population estimates for 2013, released by Statistics South Africa, which indicates that our population consists of 51.26% women and 48.74% men (Statistics South Africa, 2013).

Table 3-2: Sample composition: Population group

	Frequency	Percentage
African	1143	36.60
Coloured	448	14.36
Indian	540	17.29
White	989	31.67
No response	3	0.10
Total	3123	100.00

The majority of the sample consisted of African employees (36.60%), followed by White, Indian, and Coloured employees. The composition of the sample is slightly different from

the 2013 mid-year population estimates released by Statistics South Africa, in which it is reflected that 79.80% of the population is African, 9.00% is Coloured, 8.70% is White, and 2.5% of the population consists of Indians/Asians (Statistics South Africa, 2013).

Table 3-3: Sample composition: Do you manage a group of people?

	Frequency	Percentage
Yes	895	28.66
No	2212	71.02
No response	10	0.32
Total	3123	100.00

Both management and non-management employees formed part of the sample.

Table 3-4: Sample composition: Occupation category

	Frequency	Percentage
General administration	1211	38.78
Professional (i.e. legal or actuarial)	525	16.81
Investment specialist	40	1.28
Marketing/Communications	169	5.41
Sales	371	11.88
Call centre	182	5.83
Facilities management and security	96	3.07
Property management	105	3.36
Information technology	341	10.92
Strategic leadership	61	1.95
No response	22	0.71
Total	3123	100.00

Employees from ten different occupation categories were included in the sample. Employees in general administration formed the majority of the sample (38.78%). Smaller numbers of respondents were employed in the investment specialist (1.28%), facilities management and security (3.07%), property management (3.36%), and strategic leadership (1.95%) categories.

No specific sampling strategy was employed in gathering the secondary data. All employees were given the opportunity to participate in the study; the entire organisation

was the population, and the results were not intended to be generalised to a larger population. The aim of this study was, however, to generalise the findings to a larger population. The very high response rate achieved, in conjunction with the size of the sample, significantly lowered the likely error present in the data, and, therefore, generalisation to the population was possible (Saunders et al., 2009). The fact that the data were collected from one organisation within a single industry, however, limited the generalisability of the findings.

3.4 DATA COLLECTION

3.4.1 THE SURVEY DESIGN

A survey research strategy was used to provide direction and structure to the present research design, and the data gathered during this process were utilised (Creswell, 2009). This strategy rendered numeric descriptions of employees' perceptions of factors influencing work motivation, morale, organisational commitment, and, ultimately, satisfaction with their work environment. Survey research designs are amongst the most popular designs in social research (Babbie, 2008). In the present study, the survey involved the administration of questionnaires to respondents, with the aim of eliciting information that would be appropriate and useful for analysis (Babbie, 2008).

All employees were given the opportunity to participate in the survey, either electronically on the organisation's intranet, or by means of paper-and-pencil-based questionnaires, depending on whether they had access to a computer. The organisation conducts the survey on an annual basis, and therefore the systems, procedures, and resources required to conduct the survey were already in place. The secondary data used in the present study were gathered during September and October of 2011. The survey opened on the 1st of September 2011, on the company's intranet, and ended on the 31st of October 2011. The organisation's Information Technology Department was responsible for hosting the survey on their intranet. Hard copies of the questionnaires were available from the Human Resources Department, if respondents preferred to participate in this manner. The content of the paper-and-pencil questionnaires was identical to that of the questionnaire available on the intranet. The survey was conducted anonymously, and participation was voluntary.

The survey was announced in the company's newsletter and on the intranet, for the duration of the survey period. The survey questionnaire was accompanied by a cover letter explaining the purpose of the survey and its intended use. The survey questionnaire took approximately 50 minutes to complete, but there was no time restriction.

The data gathered through this survey, even though it was not collected for the specific purpose of the present research study, enabled the researcher to analyse data from a large population in an economically feasible way. The advantages of using self-administered questionnaires include lower costs and optimal time efficiency. Respondent anonymity was ensured, which enhanced the honesty and, thus, the reliability of the responses. Because respondents were allowed an unlimited amount of time to respond, the quality of responses was also increased (Babbie, 2008). The data were collected in a standardised format, and the responses given were suitable for quantitative and qualitative analyses. The variables that were explored in this survey were of such a nature that the researcher was able to effectively and scientifically measure the variables by asking respondents a series of questions, using a questionnaire. The data that were gathered during this process were examined and analysed to provide the researcher with complete, accurate, and comprehensive empirical results regarding the variables under study, and ultimately enabled the researcher to answer the research objectives stated in Section 1.3.

3.4.2 DATA COLLECTION INSTRUMENT

3.4.2.1 The survey questionnaire

The questionnaire used during the survey was developed by the organisation, in collaboration with a registered industrial psychologist in the consulting industry, for the purpose of conducting a comprehensive annual employee satisfaction survey. The questionnaire can be seen in Appendix A (p. 106). The questionnaire has been used as part of the organisation's annual satisfaction survey from 1996 to 2011, with the exception of 2004 and 2005. Only minor adjustments were made to the survey questionnaire during this period, according to the organisation's needs. Factor-and reliability analyses for the survey questionnaire were conducted by the external consultant for each year that the survey was administered, and the results were available to the researcher.

The data that were used in the present study were gathered during September and October 2011. The quantitative section of the survey questionnaire consisted of 107 questions, each rated on a seven-point rating scale, ranging from *Disagree strongly* to *Agree strongly*. According to statistical validation results, the questionnaire measured 21 factors related to various aspects of employee satisfaction. The quantitative section of the survey questionnaire was complemented by a qualitative section, where additional information related to employee satisfaction was gathered. A number of qualitative questions were included in the 2011 survey, which addressed the following issues:

- *Retention*: Reasons for considering leaving the organisation;
- *Sustainability*: Identification of material sustainability issues; and
- *Improvement interventions*: How the organisation can achieve its business objectives, create a motivating work atmosphere that will make staff feel appreciated, and enhance employees' career development.

3.4.2.2 Reliability of the survey questionnaire

Item reliability analysis was conducted by computing Cronbach's reliability coefficients (α) for all the factors. The reliability coefficients are shown in Table 3-5. Reliability coefficients of 0.6 and higher are generally regarded as acceptable (Field, 2009). The reliability results reflected below confirm a high level of measurement integrity of the survey questionnaire used. Even though the factors measured in the questionnaire were based on employees' perceptions (where subjectivity can be expected to have influenced their ratings), the reliability coefficients of most factors exceeded 0.7.

Table 3-5: Reliability of the survey questionnaire

Factors	Cronbach's α co-efficient
1. Relationship with my immediate manager	0.70
2. The integrity of the organisation's management	0.87
3. Efficiency of decision-making processes	0.75
4. Departmental favouritism	0.72
5. Flow of communication	0.87
6. Empowering our staff	0.75
7. Feedback with regards to my work performance	0.86
8. Recognising and rewarding our staff	0.74
9. Managing productivity	0.87
10. Efficiency of work processes	0.72

Factors	Cronbach's α co-efficient
11. Our strategic direction	0.83
12. My feelings about the company	0.78
13. Servicing our customers	0.88
14. Managing diversity	0.73
15. Work climate	0.70
16. Fair employment practices	0.76
17. Personal development and career management	0.78
18. Remuneration and benefits	0.84
19. Job stress	0.84
20. Work motivation	0.90
21. Managing change in the workplace	0.95

3.5 DATA ANALYSIS

3.5.1 DATA RECORDING AND STORAGE

Due to the fact that secondary data were used, the data recording and storage phase was already complete when this study commenced. The raw data set was provided to the researcher in computer-readable form by a registered industrial psychologist. No data entry was required; the data was already captured in the Statistical Package for the Social Sciences (SPSS) programme that was used for the data analysis phase of the present study. All biographical variables were coded, using numerical codes; thus, the data set contained only numerical variables. The quantitative data that were used for the study can be classified as descriptive categorical data (Saunders et al., 2009). This data enabled the researcher to determine the predominant reasons for employees considering leaving the company.

All the responses to the close-ended items in the questionnaire were already assigned numeric codes, and entered into a code book. According to Saunders et al. (2009), the coding of data expedites the data-recording process, minimises error, and simplifies future statistical analysis procedures. Non-responses were already recoded as missing values, which enabled the researcher to omit this data, where necessary.

The written comments related to employees' reasons for considering leaving the company were still raw, unedited, and uncoded, and had been captured in a Microsoft Office Excel

data sheet. The qualitative data were simply a continuation of the quantitative data (reasons for considering leaving) that were already available. Because the present study utilised quantitative research techniques, the qualitative data had to be coded in order to be included in the data analysis phase.

If employees felt that the reason why they were considering leaving the company was not on the list provided, or if they wanted to give more than one reason for considering leaving the company, they had the opportunity to state another or a unique reason. The questionnaire used in the initial survey was aimed at gathering employees' most important reason for considering leaving the company and, therefore, when employees chose from the list of reasons provided in the questionnaire, they were only allowed to choose one option. If, however, they did not select a reason for considering leaving from the list provided, they had to select the *Other* option, and describe their reason/s for considering leaving.

In total, 104 employees selected *Other* from the list of reasons. Eleven of the employees who selected this option did not specify a reason for considering leaving. These 11 cases were omitted from any further data analyses of reasons for considering leaving. Content analysis techniques were utilised to categorise and code the remaining qualitative data. The first step in analysing these reasons was to read through the data and underline key concepts. During this phase, it was discovered that, of the 104 employees who indicated *Other*, 52 gave a single reason for considering leaving the company, and 41 gave more than one reason. Where the employee gave only one reason, inductive and *a priori* coding was used to assign codes to the reasons stated. Where the reasons for considering leaving could be allocated to a reason that was on the list of reasons specified in the questionnaire, the code for *Other* was changed to the appropriate predetermined (*a priori*) code. In some cases, the reason could not be allocated to an *a priori* code, and a new category was created inductively and assigned an appropriate numeric code. The categories that were created are described and discussed in Section 4.2.

Chi-square analysis was used during the data analysis phase. One of the assumptions of chi-square analysis is that each entity must contribute to only one cell of the contingency table (Field, 2009). Therefore, coding the data of employees who gave multiple reasons for

considering leaving presented a challenge. Keeping in mind the assumptions of chi-square analysis, it was decided that employees who gave multiple reasons would receive a code labelled *Multiple reasons*, in order to ensure that these cases could still be included in the chi-square tests. Although these cases are reflected in the chi-square analyses, no real interpretation can be done, as no reason for considering leaving was specified. The multiple reasons that these employees gave are therefore reported separately, in Section 4.2.3.

After the coding of the qualitative data, the researcher was left with a SPSS data set that contained only quantitative data for analysis. The quantitative data analysis procedures utilised in this study are described in detail in Section 3.5.3.

3.5.2 ACCURACY AND COMPLETENESS OF THE DATA

The quality of the results of any research project is largely dependent on the quality of the data, and it is therefore imperative that one checks for errors in the data. The following strategies, proposed by Saunders et al. (2009), were used to check for errors in the secondary data that were used:

- *Look for illegitimate codes:* The data were scrutinised for codes that were not in the codebook (out of range values) and therefore obviously wrong;
- *Ensure that rules regarding filter questions are followed:* Some of the questions in the survey were filter questions, and were therefore checked to see that the relevant structure and rules were followed when the data were coded.

3.5.3 DATA ANALYSIS PROCEDURES

Considering the research objectives, stated in Section 1.3, and the nature of the data that were available, primarily descriptive statistics was utilised in this study. Descriptive statistics is used to illustrate the basic characteristics of the data that were collected during the data-gathering stage, and forms the basis of quantitative analysis methods (Field, 2009). In order to answer the research questions, the statistical procedures that were conducted are briefly discussed below.

3.5.3.1 Frequency analysis

Frequency analysis was used to depict the sample composition, and to determine the number of cases for each possible reason for considering leaving the company.

3.5.3.2 Chi-square test

In order to answer the research questions, tests had to be conducted to determine whether there were statistically significant differences between nominal categorical data. The reasons for considering leaving and the biographical characteristics could not be ordered in any natural way; therefore, unordered contingency tables had to be interpreted to determine statistically significant differences between groups. According to Field (2009), Pearson chi-square tests, likelihood-ratio tests, and Fisher's exact test can be used for unordered contingency tables.

The Pearson chi-square test is the most commonly used procedure for testing for statistical differences in larger contingency tables, and was used in the present study (Field, 2009). The size of the dataset did not allow for the computation of exact p-values, as it was too large. The Monte Carlo P-value was therefore used, as it is a very close approximation of the exact p-value, but is easier to compute. In order to determine where significant differences occurred, the interpretation of the contingency tables was guided by the amount that each cell contributed to the chi-square statistic. Cell chi-square statistics was computed for all the chi-square tests that were significant. To further explore the differences within biographical groups, observed percentages were compared to expected percentages where significant chi-square statistics was recorded.

3.5.3.3 Chi-square automatic interaction detection (CHAID)

Chi-square automatic interaction detection (CHAID) yields non-binary trees, based on an algorithm that is particularly well-suited to the analysis of large datasets (Hill & Lewicki, 2006). CHAID analysis renders many multi-way frequency tables that enable researchers to do segmentation (Hill & Lewicki, 2006). CHAID analysis can classify the relationship between a categorical response variable with multiple categories, based on categorical

predictors with many categories and segments, into homogenous sub-groups (Chan, Cheing, Chan, Rosenthal, & Chronister, 2006; Hill & Lewicki, 2006). Using CHAID analysis, *Gender, Population group, Management status, and Type of work* were used as independent variables to predict turnover intention (dependent variable) and the reason for considering leaving (dependent variable) respectively. The CHAID trees indicated which biographical characteristics were most strongly related to turnover intention and reason for considering leaving respectively, and therefore aided in ranking the importance of biographical characteristics (dependent variables). The CHAID trees also visually depicted the relationship between the dependent and independent variables. The CHAID trees thus portrayed the composition of sub-groups that were homogeneous in terms of their turnover intention and their reason for considering leaving.

The results of these analyses provided in-depth insight into the turnover intention and reasons why employees consider leaving the company, and highlighted where statistically significant differences existed within sub-groups. The results of these analyses and the discussion thereof are presented in the subsequent chapters.

3.6 ASSESSING AND DEMONSTRATING THE QUALITY AND RIGOUR OF THE RESEARCH DESIGN: MEASUREMENT BIAS

Measurement bias can occur for two reasons. The first is if deliberate or intentional distortion of data occurs, and the second if changes take place in the way that data are collected (Saunders et al., 2009). Deliberate distortion takes place when data are recorded inaccurately on purpose. In other cases, distortions may be deliberate, but not intended to gain any advantages (Saunders et al., 2009). For the purpose of the present study, raw, aggregate data were used; therefore, the results were not affected by any analysis or other processes, such as data capturing. Attention was given to the fact that the questionnaire used in the present study allowed employees to give their personal opinions regarding the factors measured in the employee satisfaction survey. Therefore, the researcher had to consider the possibility that employees could have been influenced by their superiors or co-workers to create an impression that the working environment is less or more favourable than it truly is. A total of 3123 employees completed the survey, yielding a

response rate of 81.13%. This high response rate served to limit bias, to a certain extent, thereby reducing the effect of error.

Changes in the way in which data are collected can also introduce measurement bias (Saunders et al., 2009). Altering the original process by implementing new procedures, or changing the form of data collection, can introduce bias (Saunders et al., 2009). The data used in the present study were cross-sectional; therefore, this form of bias had little relevance.

3.7 RESEARCH ETHICS

According to O'Neil (2010), ethics can be described as the rules and principles that guide the moral choices and actions of researchers. Ethics pertain to all the stages of the research process, and should be considered in every decision that is made throughout the research process (Saunders et al., 2009).

The first ethical issue that should be considered is the competence of the researcher. The researcher must be adequately trained, have sufficient knowledge about the methodology, and should be competent in all aspects of the research process (O'Neil, 2010). The present research study required the researcher to have adequate knowledge and experience with survey research design and the relevant theory and practices that it involves. The researcher also had to have adequate knowledge of a quantitative research approach and the statistical techniques that accompany it, and sufficient experience in the reporting of survey research results. Under the guidance and with the assistance of a research supervisor, all the necessary steps were taken to ensure that the researcher was equipped with the necessary skills and knowledge to successfully and ethically complete the study.

Important ethical issues arise during the data collection phase of any research project. Voluntary participation is essential, and participants should not be forced or coerced into participating in the research project (Babbie, 2008). Participants should be informed comprehensively about the objective of the survey, the possible risks associated with participation in the survey, and the purpose for which the survey results will be used.

Confidentiality of respondents should be ensured, and participants should be made aware that they can withdraw from the research at any time (Babbie, 2008). A cover letter that contains all the relevant information should accompany the questionnaire/s, and a letter of consent should be completed by the respondents, to ensure that ethical standards are adhered to (O'Neil, 2010). Because the present study made use of secondary data, the researcher had limited control over these issues, as the data were already collected. The organisation provided the researcher with a detailed description on how the data were collected. The researcher confirmed that all the necessary precautions had been taken to ensure that no harm came to the participants due to their involvement in the survey. Participation in the survey was completely voluntary, and respondents were not pressurised into participating. No incentives were offered to employees for participating in the survey. As can be seen in Appendix A (p. 106), although the survey questionnaire was not accompanied by a consent form, the questionnaire contained a section that explained the objectives and purpose of the survey. Apart from the biographical section, no identifying information was gathered during the survey, which ensured the anonymity of the respondents. The data that were used in the present study were already captured in SPSS, and contained no identifying information.

With the use of secondary data, gaining permission from the entity that gathered the data is a particular ethical concern. In the present study, permission was obtained from the Head of Employee Proposition of the organisation, who gave permission for use of the data, as long as the organisation remained anonymous.

When the data were analysed, the researcher, under the guidance of a research supervisor, it was ensured that analysis procedures that were appropriate for the proposed research objectives, and that rendered accurate, complete, and comprehensive results were utilised. When reporting the research findings, the researcher took every precaution to ensure that the results of the study were reported fully and accurately, and that shortcomings, limitations, and errors were clearly pointed out.

3.8 CONCLUSION

This chapter discussed the research design and methodology used to answer the research objectives stated in Chapter 1 (see p. 3). The methodology, secondary data, survey design, survey instrument, data analysis process and procedures, reliability, validity, measurement bias, and research ethics applicable to this study were discussed. The following chapter shows the results of the data analysis procedures discussed in this chapter.

CHAPTER 4: PRESENTATION OF RESULTS

4.1 INTRODUCTION

This chapter presents the results obtained from the data analysis done by means of SPSS, as per the research design and methodology discussed in Chapter 3. This chapter contains all the results obtained from the statistical tests that were performed on the data, in order to answer the research objectives of this study. The aim was to:

- Investigate whether employees are considering leaving the company, and the reasons that employees provided for considering leaving the organisation;
- Investigate whether there is a significant difference in the turnover intention of employees from different biographical groups; and
- Determine whether there is a significant difference in the factors that cause employees to leave, based on selected biographical characteristics of employees.

Research results in this chapter are presented in two sections:

- *Frequency analysis*: Explores the turnover intention of employees and the reasons that employees gave for considering leaving the organisation. The section reports on the number of employees who were considering leaving the organisation at the time (2011), and then delves deeper, to uncover the most frequently stated reasons for considering leaving the organisation. First, this section reports on employees that gave their most important reason for considering leaving, and then moves on to report on employees who gave multiple reasons for considering leaving the organisation.
- *Chi-square analysis and CHAID*: Determines whether there are statistically significant differences in the turnover intention and the reasons for considering leaving between the demographic groups.

4.2 FREQUENCY ANALYSIS

Before it could be determined whether there are statistically significant differences between certain demographic groups, frequency analyses were conducted, in order to explore and better understand the turnover intention of employees, and the reasons that they gave for considering leaving the organisation.

4.2.1 TURNOVER INTENTION

Table 4-1 illustrates the turnover intention of employees at the time that the survey was conducted.

Table 4-1: Turnover intention

Are you currently considering leaving the company?	Frequency	Percentage
Yes	835	26.74
No	2277	72.91
No response	11	0.35
Total	3123	100.00

A total of 26.74% of employees indicated that they were considering leaving the company, compared to 72.91% of employees who were not. A very small proportion (0.35%) of employees did not respond to the question. The ten employees who indicated that they were considering leaving the company failed to specify a reason for such consideration. These employees were omitted from further data analysis.

4.2.2 REASON FOR CONSIDERING LEAVING THE ORGANISATION: SINGLE REASON GIVEN

The vast majority of employees (95.03%) were able to identify the single most important reason influencing their decision in considering leaving the company. The reasons given can be seen in Table 4-2. The table distinguishes between the reasons listed in the questionnaire and the reasons that were later inductively identified during the qualitative data analysis process, as described in Section 3.5.1.

Table 4-2: Reason for considering leaving the organisation: Single reason given

Reason stated for considering leaving the organisation	Frequency	Percentage
Reasons listed in the questionnaire		
I am not remunerated correctly	179	22.86
I feel unrecognised and undervalued	133	16.99
Better career prospects available externally	111	14.18
I have lost trust in the leadership of the company	80	10.22
My job is not fulfilling my expectations	68	8.68
No appropriate learning and development opportunities available	61	7.79
I am experiencing stress from work overload	39	4.98
Relationship with my manager	36	4.60
My job is affecting my work-life balance	31	3.96
Reasons created during qualitative data analysis phase		
Career/Industry change	13	1.66
Retirement	9	1.15
Unfair employment practices, discrimination, and favouritism	5	0.64
Work closer to home to reduce travel time and cost	4	0.51
Lack of career advancement opportunities	4	0.51
Withdrawal from the job market	2	0.26
Lack of job security	2	0.26
Relocating to another province in South Africa	2	0.26
I feel demotivated	1	0.13
Relationship with colleagues	1	0.13
I want to access my provident fund money	1	0.13
Emigration	1	0.13
Total	783	100.00

Of the 21 possible reasons stated for considering leaving the company, four stood out from the rest. More than two thirds of the sample (64.24%) indicated that the most important reason why they were considering leaving the company was either *I am not remunerated correctly* (22.86%), *I feel unrecognised and undervalued* (16.99%), *Better career prospects*

available externally (14.18%), or *I have lost trust in the leadership of the company* (10.22%). From the reasons listed in the questionnaire, *I am experiencing stress from work overload* (4.98%), *Relationship with my manager* (4.60%), and *My job is affecting my work-life balance* (3.96%) were the least-stated reasons for considering leaving the company.

Only 5.75% of respondents indicated reasons that were not listed in the questionnaire, with *Career/Industry change* (1.66%) being the most frequently stated reason. Although 12 additional reasons were identified during the qualitative data analysis phase, very few cases were recorded for each of the 12 reasons (between 1.66% and 0.13%). Because so few employees gave additional reasons for considering leaving the organisation, and few cases were recorded for each reason, all of these reasons were categorised together under the label *Other* when the chi-square analyses were done. In order to ensure the statistical power of chi-square analysis, the widely accepted rule, originally suggested by Cochran (1954), is that for chi-square tests with more than one degree of freedom, the minimum expected count for each cell must be at least 1, and no more than 20% of the cells should have expected counts below 5. Including the 12 reasons identified in the qualitative data analysis phase as separate reasons in the chi-square analysis would have caused this assumption to be broken and rendered the analysis invalid. So few employees gave additional reasons for considering leaving that it was deemed appropriate to categorise these reasons together for the chi-square analyses.

4.2.3 REASON FOR CONSIDERING LEAVING THE ORGANISATION: MULTIPLE REASONS GIVEN

As discussed in Section 3.5.1, a small number of respondents (4.97%) gave multiple reasons for considering leaving. These responses are unpacked and discussed in this section, as they could not be fully explored by means of the chi-square analyses. Table 4-3 depicts the frequency with which each reason was stated.

Table 4-3: Reasons for considering leaving the organisation: Multiple reasons given

Reason stated for considering leaving the organisation	Frequency	Percentage
Reasons listed in the questionnaire		
Relationship with my manager	23	56.10
I am not remunerated correctly	19	46.34
I am experiencing stress from work overload	17	41.46
No appropriate learning and development opportunities available	16	39.02
I feel unrecognised and undervalued	16	39.02
I have lost trust in the leadership of the company	15	36.59
My job is not fulfilling my expectations	11	26.83
Better career prospects available externally	11	26.83
My job is affecting my work-life balance	8	19.51
Reasons created during qualitative data analysis phase		
Lack of career advancement opportunities	11	26.83
Unfair employment practices, discrimination, and favouritism	6	14.63
I feel demotivated	2	4.88
Retirement	2	4.88
Lack of job security	2	4.88
Career/Industry change	1	2.44

On average, 3.9 reasons were given by each of the 41 employees who gave multiple reasons for considering leaving. *Relationship with my manager* was cited by 56.1% of respondents as one of their reasons for considering leaving. It is interesting to note that although this was one of the reasons least mentioned by employees who indicated it as their most important reason for considering leaving, it is the most frequently mentioned reason of employees who gave more than one reason for considering leaving. *I am not remunerated correctly* and *I am experiencing stress from work overload* were indicated by 46.34% and 41.46% of employees respectively as one of their reasons for considering leaving the company. As with employees who gave only one reason for considering leaving, *I am not remunerated correctly* featured prominently amongst employees who gave multiple reasons for considering leaving. *My job is affecting my work-life balance* was the least-mentioned reason by both employees who gave a single reason and those who provided multiple reasons.

The reasons created during the qualitative data analysis phase were also mentioned by employees who gave multiple reasons for considering leaving. *Lack of career advancement opportunities* was mentioned by 26.83% of respondents as one of their reasons for considering leaving, and *Unfair employment practices, discrimination, and favouritism* was indicated by 14.63% as one of their reasons.

4.3 CHI-SQUARE TEST AND CHAID ANALYSIS

In order to determine whether there were statistically significant differences between the turnover intention and the reasons for considering leaving within certain demographic groups, chi-square analyses were performed and interpreted. The chi-square results for the categories *Gender, Race, Management status, and Job type* are presented in this section. The segmentation of employees according to their responses related to turnover intention and reasons for considering leaving were determined by means of CHAID-analysis, and are presented after the results of the chi-square analyses.

4.3.1 TARGETED RETENTION: GENDER

The chi-square test results for *Gender* are summarised and briefly discussed below.

Table 4-4: Chi-square test results: Gender

Item	Demographic variable	Chi-square	df	Sig
Are you considering leaving the company?	Gender	0.09	1	0.75
Reason for considering leaving	Gender	20.37	10	0.02**

*** Significant at the 0.01 level

** Significant at the 0.05 level

* Significant at the 0.1 level

There is not a significant association between employees' intention to leave the company and gender $\chi^2(1) = 0.09, p > 0.1$. The chi-square test did, however, indicate that there is a significant association between employees' reasons for considering leaving and gender $\chi^2(10) = 20.31, p < 0.05$. The results highlight that, although there is not a significant

difference between the proportion of men and women who are consider leaving the company, the reasons that they stated for considering leaving the company are significantly different. In order to determine where the significance lies, cell chi-squares where computed, as depicted in Table 4-5.

Table 4-5: Cell chi-square: Reason for considering leaving (Gender)

Reason for considering leaving	Cell chi-square: Male	Cell chi-square: Female	
I have lost trust in the leadership of the company	4.87	4.05	
I am experiencing stress from work overload	2.53	2.11	
Better career prospects available externally	1.48	1.23	
I am not remunerated correctly	1.18	0.98	
Relationship with my manager	0.43	0.36	
No appropriate learning and development opportunities available	0.26	0.22	
I feel unrecognised and undervalued	0.22	0.18	
My job is affecting my work-life balance	0.08	0.07	
Other	0.04	0.03	
Multiple reasons	0.02	0.02	
My job is not fulfilling my expectations	0.01	0.01	
Total	11.13	9.24	20.37

The results in Table 4-5 indicate that the differences between men and women related to the following reasons, contributed the most to the significance of the chi-square test: *I have lost trust in the leadership of the company, I am experiencing stress from work overload, Better career prospects available externally, and I am not remunerated correctly.*

Figure 4-1 compares the expected percentage for each reason for considering leaving against the observed percentage recorded for men and women respectively, for each reason.

Figure 4-1: Observed versus expected percentages: Reason for considering leaving (Gender)

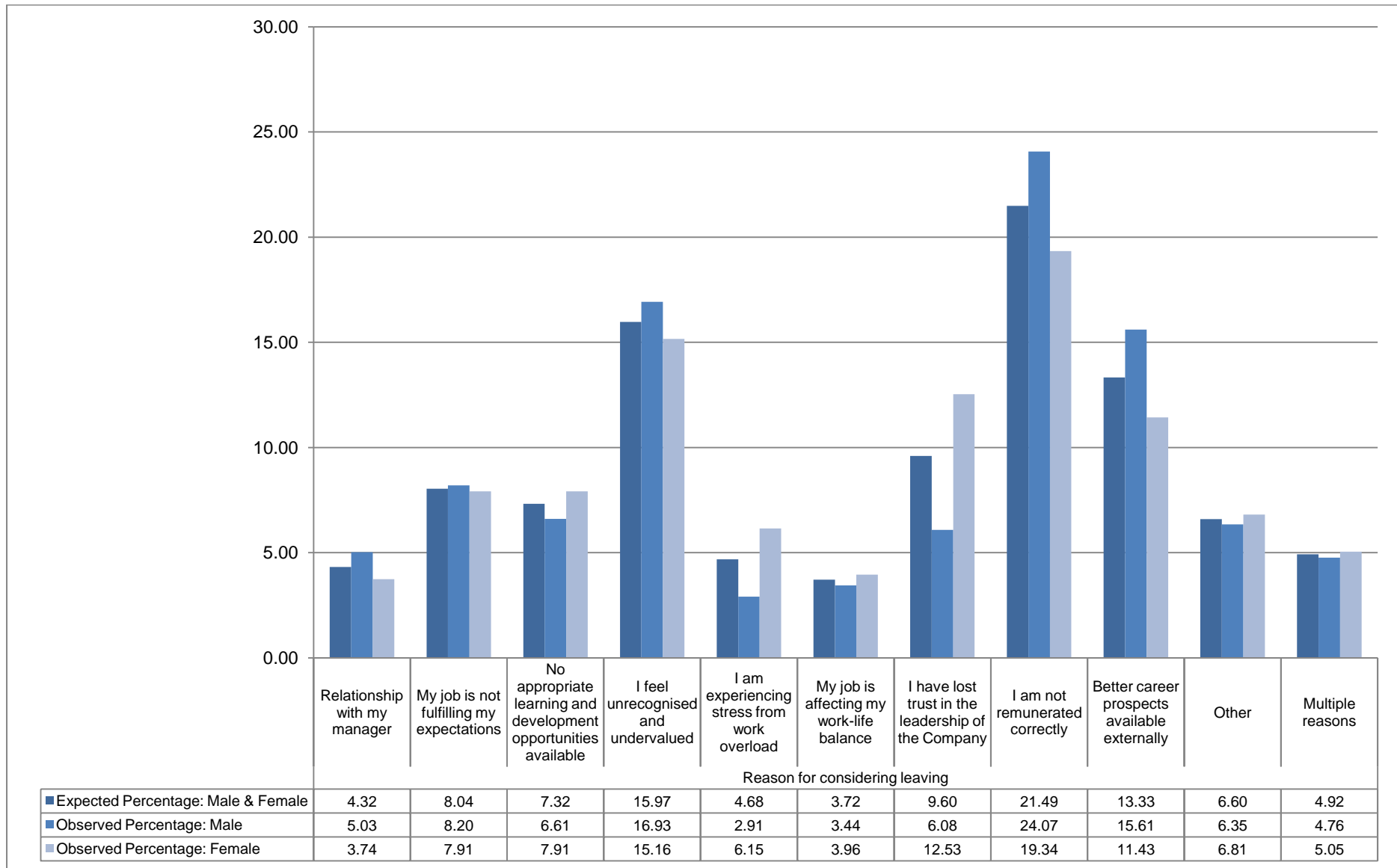


Figure 4-1 illustrates the following differences between gender groups:

- *I have lost trust in the leadership of the company* showed the biggest difference between men and women, with women (12.53%) citing this reason more often than men (6.08%).
- *I am not remunerated correctly* was cited by 24.07% of men as their main reason for considering leaving, while 19.34% of women indicated it as their main reason for considering leaving.
- *Better career prospects available externally* was indicated more often by men than by women as the reason for considering leaving.
- More women than men cited *I am experiencing stress from work overload* as their reason for considering leaving.

Only small differences between the expected percentages and observed percentages by gender group were recorded for the other reasons.

4.3.2 TARGETED RETENTION: POPULATION GROUP

The chi-square test results for *Population group* are recorded in Table 4-6.

Table 4-6: Chi-square test results: Population group

Item	Demographic variable	Chi-square	df	Sig
Are you considering leaving the company?	Population group	27.87	3	0.000***
Reason for considering leaving	Population group	62.39	30	0.001***

*** Significant at the 0.01 level

** Significant at the 0.05 level

* Significant at the 0.1 level

Both the chi-square tests were significant, indicating that there is a significant association between employees' intention to leave the company and population group $\chi^2 (3) = 27.87$, $p < 0.01$, as well as a significant association between employees' reasons for considering leaving and population group $\chi^2 (30) = 62.39$, $p < 0.01$.

4.3.2.1 Targeted retention: Intention to leave (Population group)

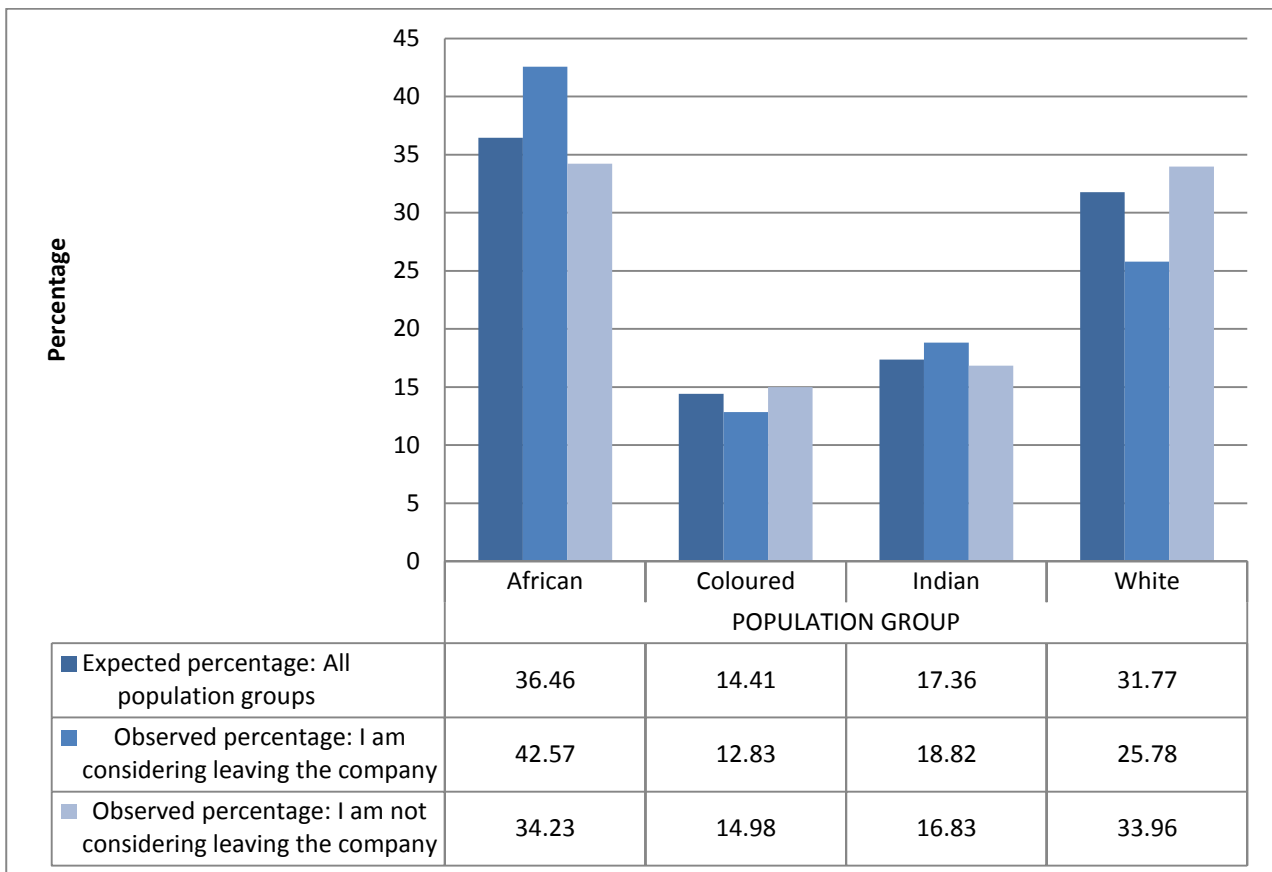
Each cell's contribution to the chi-square statistic is depicted in Table 4-7, below.

Table 4-7: Cell chi-square: Intention to leave (Population group)

Population group	Cell chi-square: I am considering leaving the company	Cell chi-square: I am not considering leaving the company	
White	9.42	3.45	
African	8.52	3.12	
Coloured	1.44	0.53	
Indian	1.03	0.38	
Total	20.40	7.47	27.87

Table 4-7 indicates that the significance of the chi-square test lies primarily within the responses given by White and African employees. In order to further explore the differences between the population groups, the expected percentage for *Are you considering leaving the company?* was compared with observed percentages for each population group, in Figure 4-2.

Figure 4-2: Observed versus expected percentages: Intention to leave (Population group)



The results indicate that African employees’ turnover intention is higher than expected, while White employees’ turnover intention is lower than expected.

4.3.2.2 Targeted retention: Reason for considering leaving (Population group)

The reasons that employees from different population groups gave for considering leaving the company were significantly different, as discussed in Section 4.3.2. Cell chi-squares were computed in order to determine where the significant differences lay. The cell-chi squares can be seen in Table 4-8, below.

Table 4-8: Cell chi-square: Reason for considering leaving (Population group)

Reason for considering leaving	Cell chi-square: African	Cell chi-square: Coloured	Cell chi-square: Indian	Cell chi-square: White	
My job is affecting my work-life balance	5.07	0.00	0.12	10.12	
Other	0.82	0.53	3.91	5.46	
I am not remunerated correctly	2.93	0.04	0.05	5.00	
No appropriate learning and development opportunities available	1.93	0.60	2.63	0.89	
Multiple reasons	1.69	0.30	2.36	0.55	
I feel unrecognised and undervalued	0.04	0.50	0.17	0.16	
I am experiencing stress from work overload	2.61	0.79	1.81	0.09	
I have lost trust in the leadership of the company	1.88	0.16	4.16	0.09	
Better career prospects available externally	0.49	1.27	0.06	0.09	
My job is not fulfilling my expectations	0.44	0.02	1.70	0.03	
Relationship with my manager	0.03	0.57	0.22	0.01	
Total	17.93	4.78	17.19	22.49	62.39

Table 4-8 indicates that the responses given by White, African, and Indian respondents contributed the most to the significance of the chi-square test. The biggest difference according to the cell chi-square statistics was related to *My job is affecting my work-life balance*. In order to further explore the differences between the population groups, the expected percentages for *Reason for considering leaving* were compared to observed percentages for each population group, as can be seen in Figure 4-3.

Figure 4-3: Observed versus expected percentages: Reason for considering leaving (Population group)

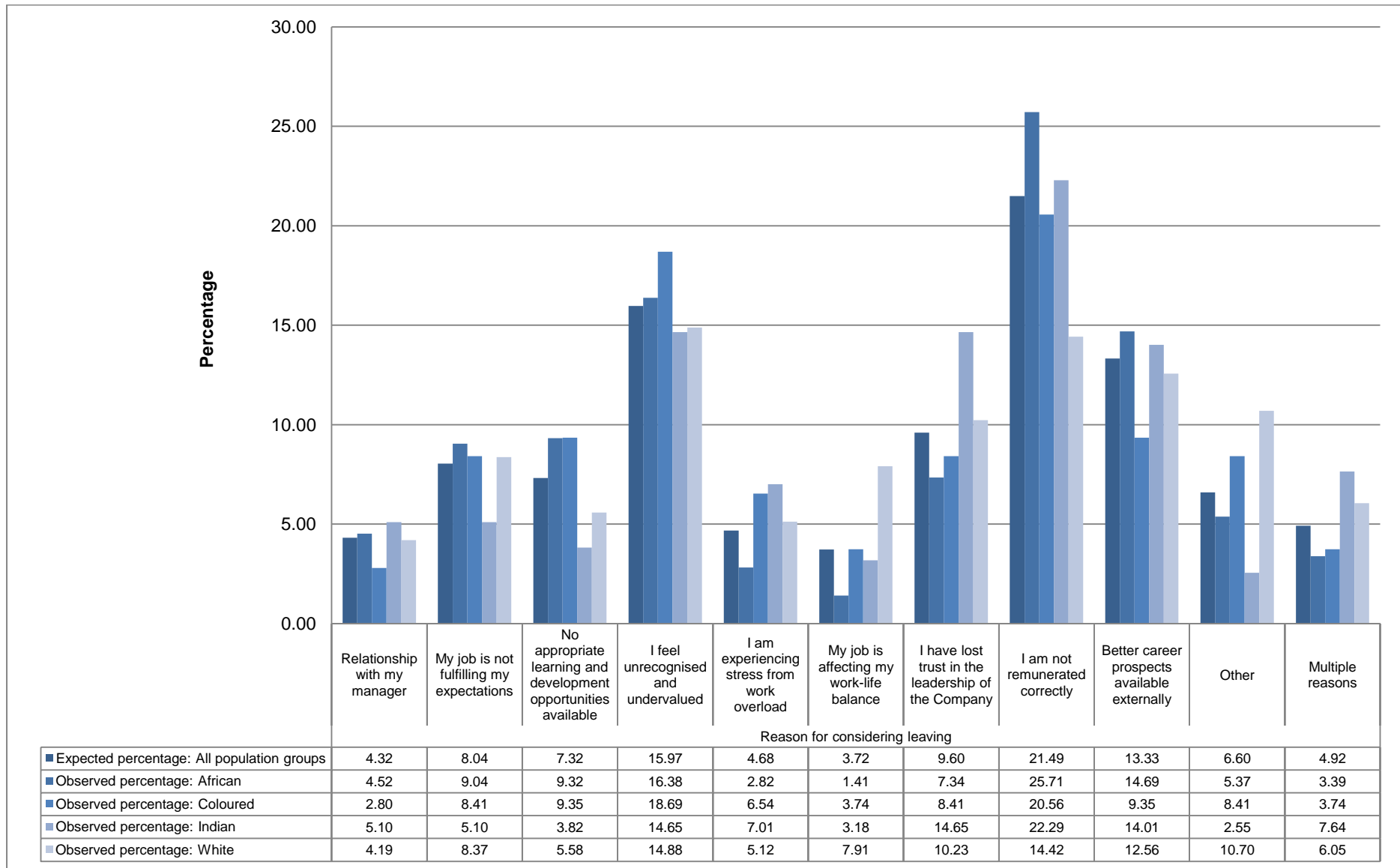


Figure 4-3 illustrates the following differences between Population groups:

- As illustrated in the cell chi-squares in Table 4-8, a notable difference was recorded between population groups for *My job is affecting my work-life balance*. A total of 10.23% of White employees sited this as their single most important reason for considering leaving, while 3.74% of Coloured employees, 3.18% of Indian employees, and only 1.41% of African employees gave this as their reason for considering leaving.
- White and Coloured employees more often selected *Other* as their reason for considering leaving than Indian and Black employees did.
- *I am not remunerated correctly* also showed differences between population groups. Of the African, Indian, and Coloured employees, 25.71%, 22.29%, and 20.56% respectively cited this reason, while only 14.42% of White employees stated this as their reason for considering leaving.
- Indian and White employees cited *I have lost trust in the leadership of the company* more often than Coloured and African employees.
- *No appropriate learning and development opportunities available* was cited less often by Indian employees (3.82%) and White employees (5.58%) than by African (9.32%) and Coloured employees (9.35%).

4.3.3 TARGETED RETENTION: MANAGEMENT STATUS

Table 4-9 summarises the chi-square test results according to employees' management status.

Table 4-9: Cell chi-square test results: Management status

Item	Demographic variable	Chi-square	df	Sig
Are you considering leaving the company?	Do you manage a group of people?	19.95	1	0.000***
Reason for considering leaving	Do you manage a group of people?	19.01	10	0.036**

*** Significant at the 0.01 level

** Significant at the 0.05 level

* Significant at the 0.1 level

Both the chi-square tests were significant, indicating that there is a significant association between an employee's intention to leave the company and whether that employee manages a group of people $\chi^2 (1) = 19.95, p < 0.01$, as well as a significant association between employees' reasons for considering leaving and their management status $\chi^2 (10) = 19.01, p < 0.05$.

4.3.3.1 Targeted retention: Intention to leave (Management status)

Each cell's contribution to the chi-square statistic is depicted in Table 4-10, below.

Table 4-10: Cell chi-square: Intention to leave (Management status)

Management status	Cell chi-square: I am considering leaving the company	Cell chi-square: I am not considering leaving the company	
I manage a group of people	10.39	4.20	
I do not manage a group of people	3.82	1.54	
Total	14.21	5.74	19.95

Table 4-10 indicates that the significance of the chi-square test primarily lies within the responses given by employees who manage a group of people. In order to further explore the differences between employees who manage a group of people and those who do not, the expected percentage for *Are you considering leaving the company?* was compared with observed percentages for employees in both management and non-management positions (see Figure 4-4).

Figure 4-4: Observed versus expected percentages: Intention to leave (Management status)

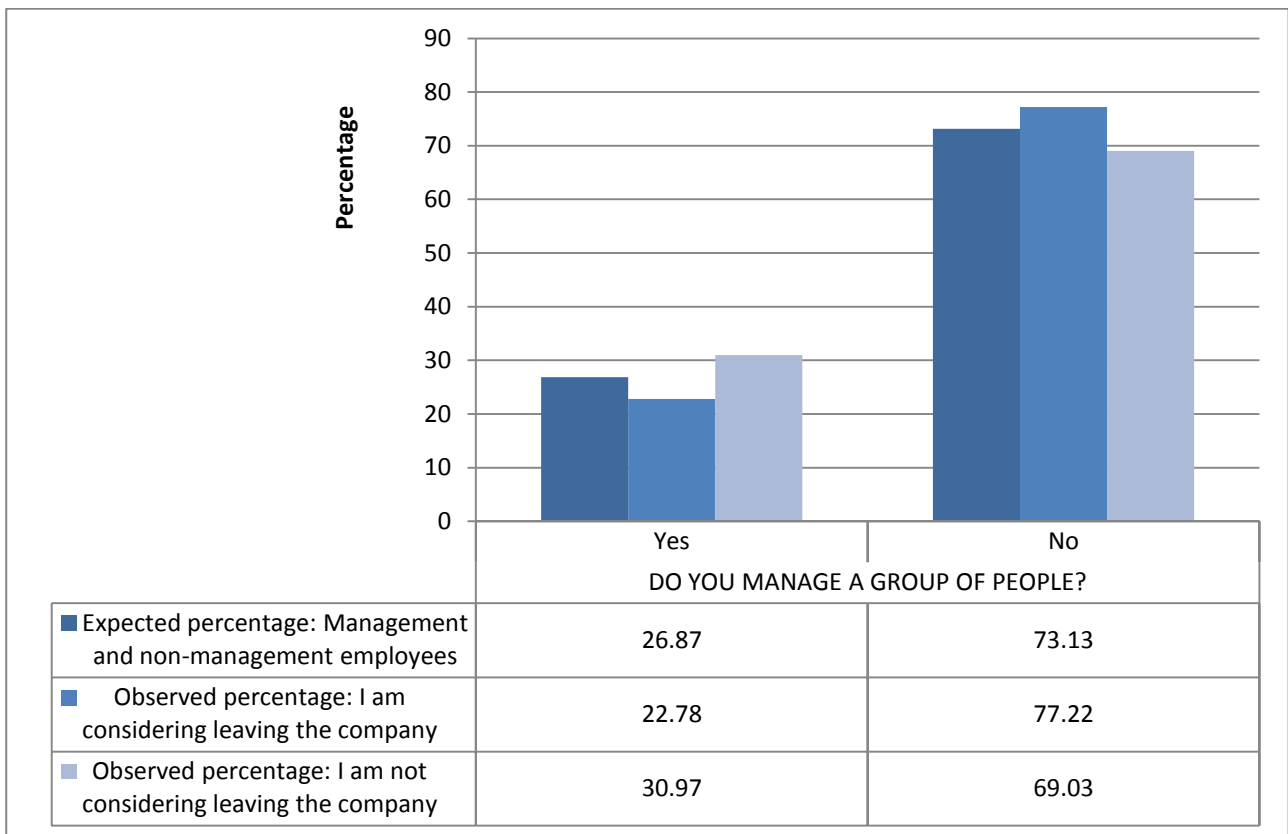


Figure 4-4 indicates that the turnover intention of non-management employees is higher than that of employees who manage a group of people.

4.3.3.2 Targeted retention: Reason for considering leaving (Management status)

The reasons that management and non-management employees gave for considering leaving the company were significantly different, as discussed in Section 4.3.3. Cell chi-squares were computed in order to determine which cells contributed the most to the significance of the chi-square test. The cell-chi squares can be seen in Table 4-11, below.

Table 4-11: Cell chi-square: Reason for considering leaving (Management status)

Reason for considering leaving	Cell chi-square: Management employees	Cell chi-square: Non-management employees	
My job is affecting my work-life balance	8.89	2.63	
I am not remunerated correctly	3.43	1.01	
Relationship with my manager	0.95	0.28	
Other	0.95	0.28	
I am experiencing stress from work overload	0.14	0.04	
I have lost trust in the leadership of the company	0.09	0.03	
No appropriate learning and development opportunities available	0.08	0.03	
Better career prospects available externally	0.07	0.02	
I feel unrecognised and undervalued	0.06	0.02	
My job is not fulfilling my expectations	0.01	0.00	
Multiple reasons	0.01	0.00	
Total	14.67	4.34	19.01

My job is affecting my work-life balance and *I am not remunerated correctly* were the two reasons that contributed the most towards the significance of the chi-square test, as can be seen in Table 4-11, above. Expected percentages and observed percentages are compared in Figure 4-5, below, in order to determine the differences between management and non-management employees.

Figure 4-5: Observed versus expected percentages: Reason for considering leaving (Management status)

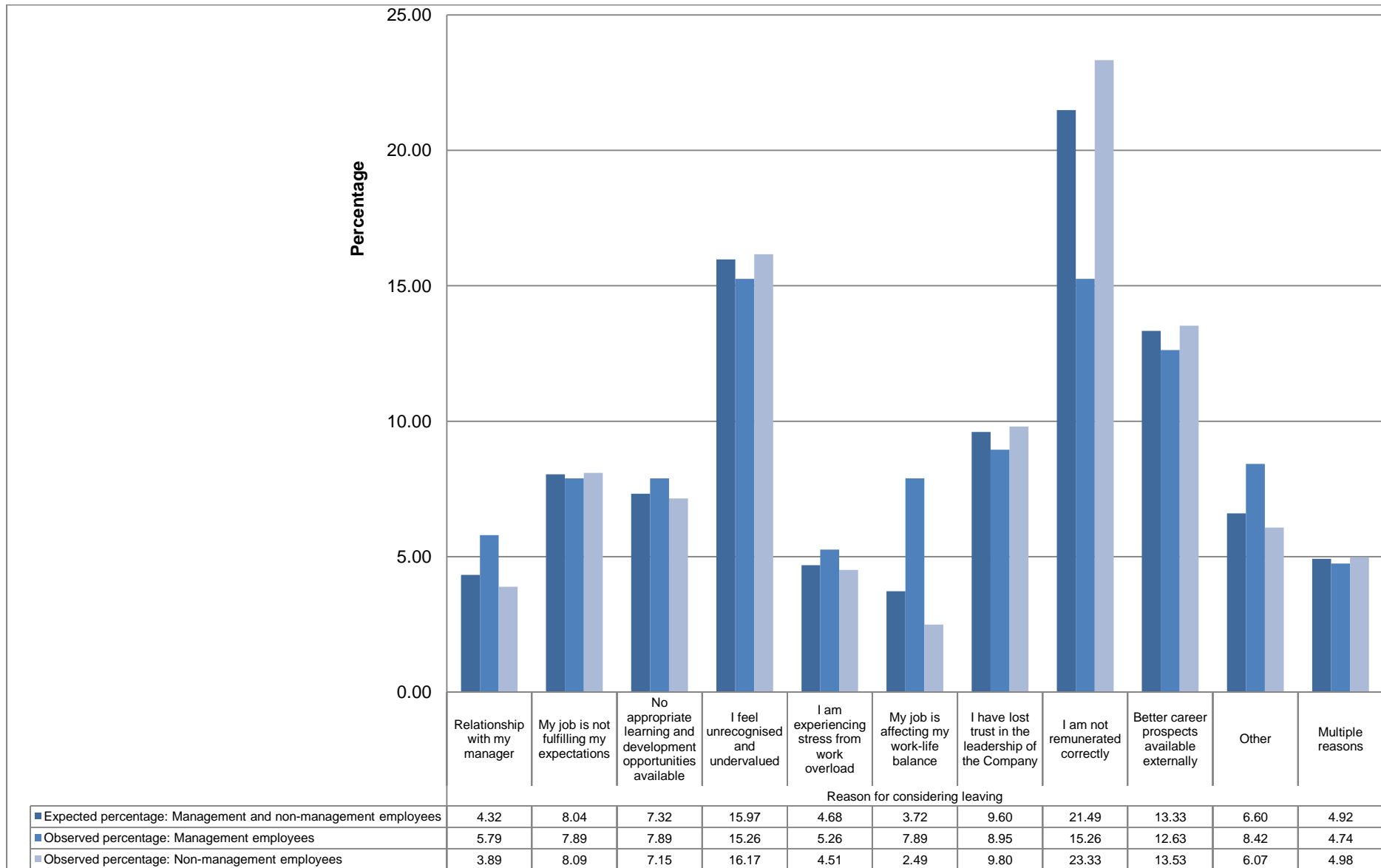


Figure 4-5 illustrates the following differences between management and non-management employees:

- *I am not remunerated correctly* showed the biggest difference between management and non-management employees, with non-management employees citing this reason more often than management employees.
- Employees who manage a group of people (7.82%) cited *My job is affecting my work-life balance* more often as a reason for considering leaving than non-management employees (2.49%).

4.3.4 TARGETED RETENTION: WORK TYPE

Table 4-12 summarises the chi-square test results for employees from different work type categories.

Table 4-12: Chi-square test results: Population group

Item	Demographic variable	Chi-square	df	Sig
Are you considering leaving the company?	Work type	32.22	9	0.000***
Reason for considering leaving	Work type	140.28	90	0.001***

*** Significant at the 0.01 level

** Significant at the 0.05 level

* Significant at the 0.1 level

The results indicate a significant association between employees' intention to leave and the type of work those employees perform: $\chi^2(9) = 32.22, p < 0.01$. The chi-square test for employees' reason for considering leaving and the type of work that an employee does was significant, but 68 cells (61.8%) in the contingency table had expected counts less than 5, and the minimum expected count was 0.45. As discussed in Section 4.2.2, an assumption of chi-square analysis is that the minimum expected count for each cell must be at least 1, and no more than 20% of the cells should have expected counts below 5 (Cochran, 1954). The chi-square test between work type and reason for considering leaving broke this assumption, and the results could therefore not be interpreted.

Frequency analysis was conducted, in order to determine which reasons for considering leaving were given the most by employees from each work type category.

4.3.4.1 Targeted retention: Intention to leave (Work type)

Each cell's contribution to the chi-square statistic is depicted in Table 4-13, below.

Table 4-13: Cell chi-square: Intention to leave (Work type)

Work type	Cell chi-square: I am considering leaving the company	Cell chi-square: I am not considering leaving the company	
Sales	7.04	2.58	
Facilities management and security	6.30	2.31	
Investment specialist	3.68	1.35	
Professional (e.g., legal or actuarial)	2.92	1.07	
General administration	1.28	0.47	
Strategic leadership	1.16	0.42	
Property management	0.54	0.20	
Information technology	0.34	0.13	
Call centre	0.29	0.11	
Marketing and communications	0.04	0.01	
Total	23.58	8.64	32.22

Table 4-13 indicates that the responses given by employees in the job type categories *Sales*, *Facilities management and security*, *Investment specialists* and *Professional* contributed the most to the chi-square test statistic. Figure 4-6 sheds further light on the differences in turnover intention for employees from different work type categories.

Figure 4-6: Observed versus expected percentages: Reason for considering leaving the company (Work type)

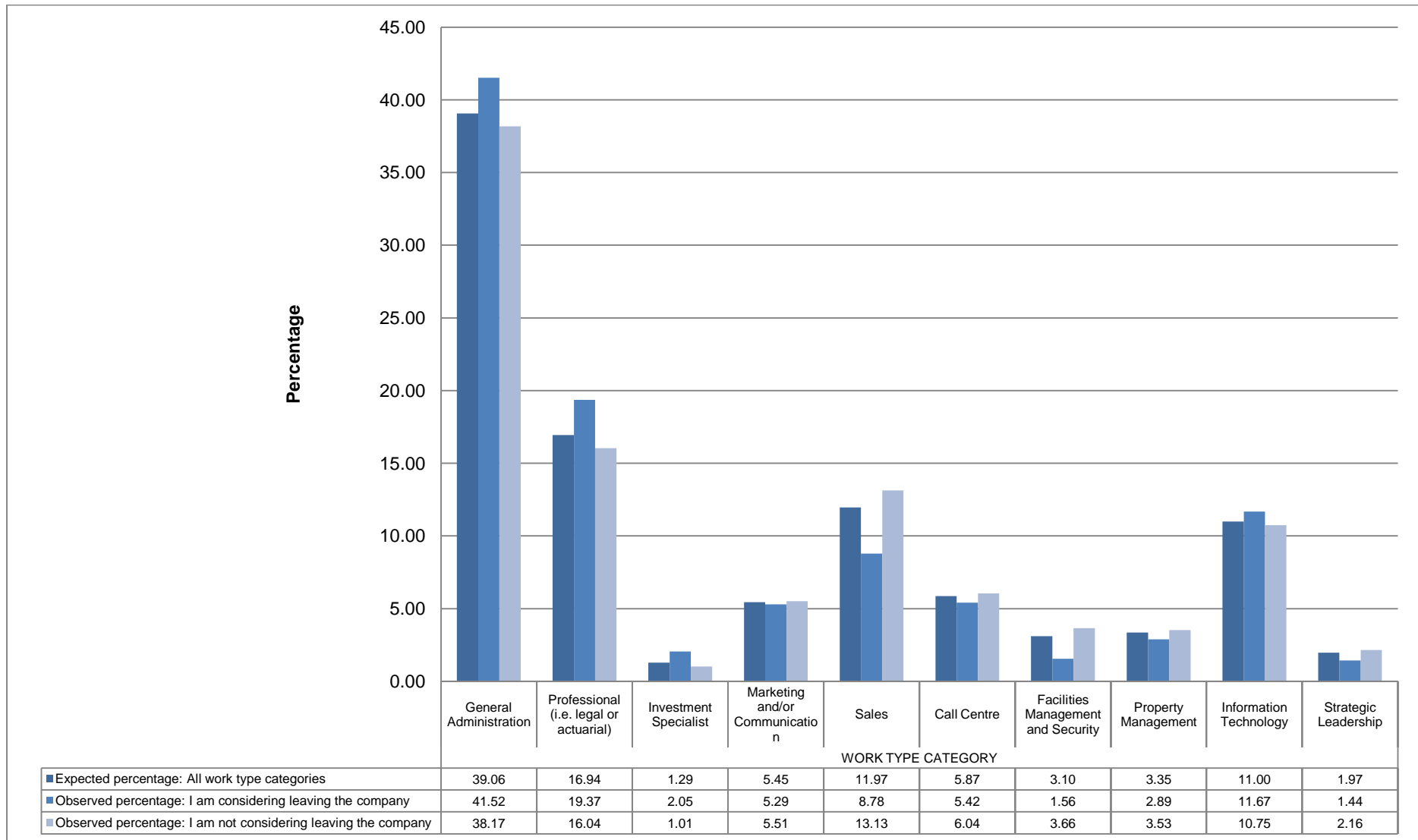


Figure 4-6 indicates that the turnover intentions of *Professional*, *Investment specialist*, and *General administration* are higher than expected, while the turnover intentions of *Sales* and *Facilities management and security* are lower than expected.

4.3.4.2 Targeted retention: Reason for considering leaving (Work type)

In order to determine which factors most frequently influenced the decision of employees from different work type categories to leave the organisation, frequency analysis was conducted. Table 4-14 displays the most frequently cited reasons for considering leaving the company for each work type.

Table 4-14: Cell chi-square: Intention to leave (Work type)

Work type	Reason for considering leaving	Percentage
General administration	I am not remunerated correctly	23.19
	I feel unrecognised and undervalued	13.91
	Better career prospects available externally	12.46
Professional (e.g., legal or actuarial)	I am not remunerated correctly	22.36
	I feel unrecognised and undervalued	17.39
	Better career prospects available externally	16.15
Investment specialist	I am not remunerated correctly	23.53
	Better career prospects available externally	17.65
	I have lost trust in the leadership of the company	17.65
Marketing and communications	I am not remunerated correctly	20.45
	Better career prospects available externally	15.91
	I feel unrecognised and undervalued	13.64
Sales	I am not remunerated correctly	13.07
	Better career prospects available externally	15.07
	I feel unrecognised and undervalued	15.07
Call centre	I am not remunerated correctly	24.44
	No appropriate learning and development opportunities available	17.78
	I feel unrecognised and undervalued	13.33
Facilities management and security	I feel unrecognised and undervalued	30.77
	I am not remunerated correctly	23.08
	Relationship with my manager	15.38

Work type	Reason for considering leaving	Percentage
Property management	I have lost trust in the leadership of the company	25.00
	I feel unrecognised and undervalued	20.83
	Relationship with my manager	16.67
	I am not remunerated correctly	16.67
Information technology	I am not remunerated correctly	21.65
	I feel unrecognised and undervalued	21.65
	Better career prospects available externally	12.37
Strategic leadership	My job is affecting my work-life balance	25.00
	Better career prospects available externally	16.67

As indicated in Section 4.3.4.1, the categories *Professional*, *Investment specialist* and *General administration* have the highest intention to leave the company, and retention strategies aimed at these groups should contribute the most to reducing labour turnover.

The categories *General administration* and *Professional* both indicated that their reasons for considering leaving were mainly related to dissatisfaction with their current compensation package, a feeling that they are undervalued and unappreciated, and a perception that there are better career prospects available to them in the external job market. The main reasons in the *Investment specialist* category was related to remuneration and the availability of better career prospects externally, but the loss of trust in the leadership of the company also played a big role in their reasons for considering leaving.

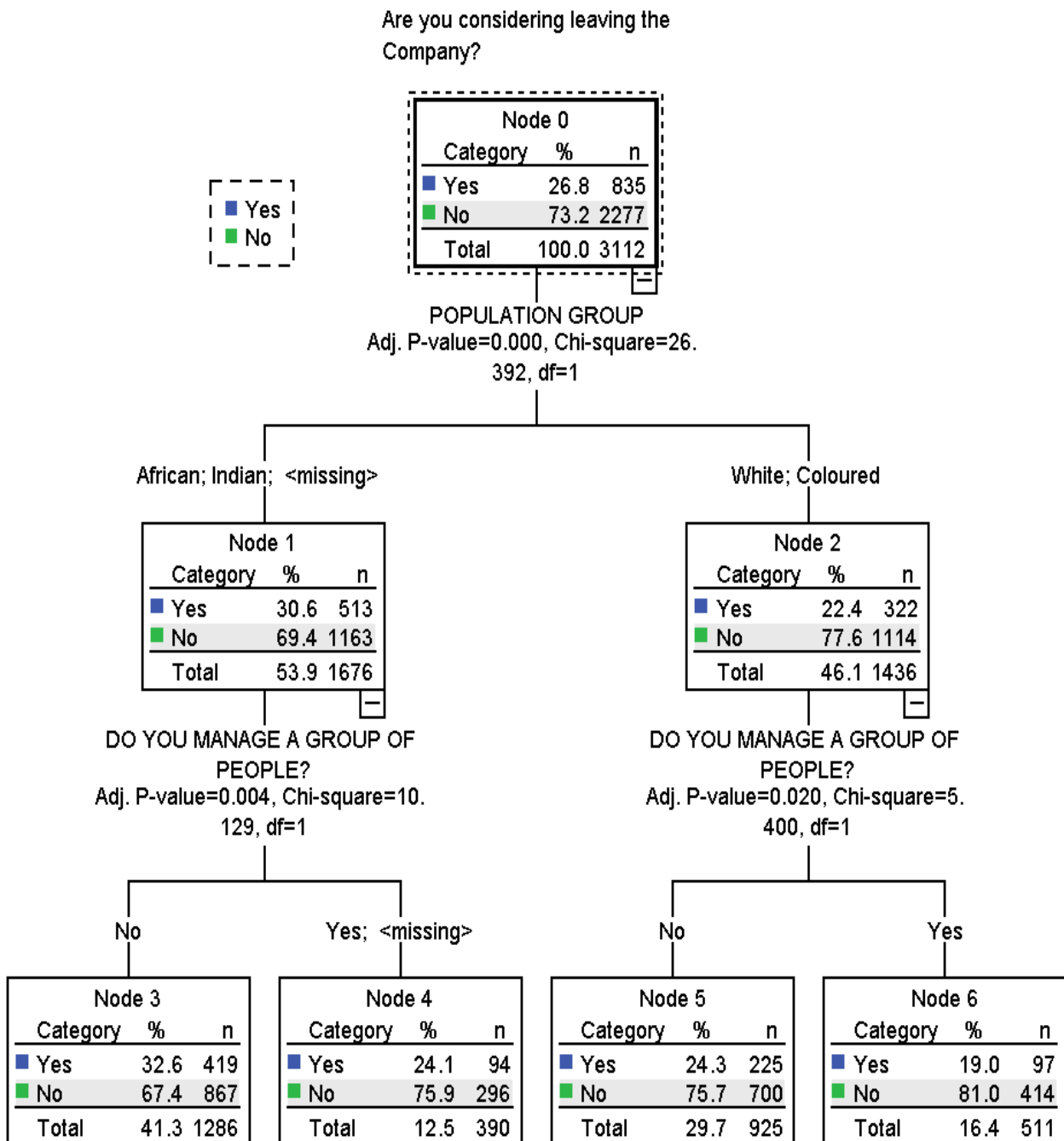
4.3.5 EMPLOYEE SEGMENTATION: CHAID ANALYSIS

With regard to whether homogenous sub-groups existed with regard to the responses that employees gave in terms of turnover intention and reasons for considering leaving, CHAID trees are depicted below. The CHAIDs also indicate which biographical characteristics are most strongly related to turnover intention and reason for considering leaving respectively, and therefore serves as a ranking of the importance of biographical characteristics (dependent variables).

4.3.5.1 Employee segmentation: Intention to leave

The CHAID tree where *Are you currently considering leaving the company?* was used as the dependent variable, and *Gender*, *Population group*, *Management status*, and *Work type* as independent variables, can be seen in Figure 4-7, below.

Figure 4-7: CHAID tree: Intention to leave the company



The CHAID tree indicates the following:

- Of the four biographical variables entered into the model as independent variables, *Population group* is the best predictor of turnover intention.
- Similar proportions of responses related to the question *Are you considering leaving the Company?* were recorded for African and Indian employees, and they were therefore segmented together in Node 1.
- Similar proportions of responses related to the question *Are you considering leaving the Company?* were recorded for White and Coloured employees, and they were therefore classified together, in Node 2.
- When comparing Node 1 and Node 2, it becomes evident that the turnover intention of African and Indian employees (30.61%) is significantly higher than that of White and Coloured employees (22.42%).
- For both Node 1 (African and Indian employees) and Node 2 (Coloured and White employees), the second-best predictor of turnover intention is *Management status*.
- The highest turnover intention was recorded for non-managerial African and Indian employees (32.58%), as can be seen in Node 3.
- The lowest turnover intention was recorded for Coloured and White employees who were in managerial positions (18.98%).

4.3.5.2 Employee segmentation: Reason for considering leaving

The CHAID tree where *Reason for considering leaving* was used as the dependent variable, and *Gender*, *Population group*, *Management status*, and *Work type category* as independent variables, can be seen in Figure 4-8, below.

Figure 4-8: CHAID tree: Reason for considering leaving



As discussed in Section 4.3.5.1, *Population group* was the best predictor of turnover intention, and Figure 4-8 above indicates that it is also the best predictor of reason for considering leaving. Significant differences in responses were recorded between African and Indian employees, and they are therefore represented in separate Nodes (Nodes 1 and 3 respectively). According to the CHAID analysis, the responses given under *Reason for considering leaving* by White and Coloured employees were similar, and their responses were therefore classified together, in Node 2. When comparing the percentage of respondents that stated each of the respective reasons for considering leaving across Nodes, the biggest differences between groups were the following:

- Of African and Indian employees, 25.56% and 22.15% respectively cited *I am not remunerated correctly* as their reason for considering leaving, while only 16.41% of Coloured and White employees cited this reason.
- *I have lost trust in the leadership of the company* was cited by 14.56% of Indian employees, but by only 9.60% of White and Coloured employees, and by only 7.30% of African employees.
- *No appropriate learning and development opportunities available* featured strongly among African employees (9.27%), while it was cited by only 6.81% of Coloured and White employees, and only 3.80% of Indian employees.
- Coloured and White employees indicated *My job is affecting my work-life balance* most often (6.81%), while only 3.81% of Indians and 1.40% of African respondents indicated this as their reason for considering leaving.

Among Coloured and White employees (Node 2), *Gender* emerged as the second-best predictor of an employee's reason for considering leaving. When comparing the percentage of respondents that stated a reason for considering leaving across Nodes 4 and 5, the biggest differences are as follows:

- *Better career prospects available externally* was cited by 16.67% of Coloured and White male respondents, but by only 7.85% of Coloured and White female respondents.
- *I have lost trust in the leadership of the company* was indicated by 13.9% of Coloured and White females, while it was cited by only 4.55% of Coloured and White males.

4.4 CONCLUSION

The results reported in this chapter were used to investigate employees' intention to leave, and their reasons for considering leaving the company, while testing whether these factors differ, depending on employees' biographical characteristics including gender, population group, management status, and the type of work that an employee performs, thereby conducting targeted analysis of employee retention needs.

In general, the results indicate that 26.74% of employees were considering leaving the company. The vast majority of employees were able to identify the single most important reason for considering leaving the company. Four prominent reasons for considering leaving were identified:

- *I am not remunerated correctly.*
- *I feel unrecognised and undervalued.*
- *Better career prospects available externally.*
- *I have lost trust in the leadership of the company.*

For employees who gave more than one reason for considering leaving the company, the following reasons were mentioned frequently:

- *Relationship with my manager.*
- *I am not remunerated correctly.*
- *I am experiencing stress from work overload.*
- *I feel unrecognised and undervalued.*
- *I have lost trust in the leadership of the company.*

Analysis to determine whether significant differences in the turnover intention and reasons for considering leaving the company existed among employees from different biographical sub-groups rendered significant results. A summary of the results can be seen in Table 4-15, below.

Table 4-15: Summary: Chi-square results

Biographical variable (dependent variable)	Independent variable	Chi-square test significant
Gender	Are you considering leaving the company?	No
	Reason for considering leaving	Yes
Population group	Are you considering leaving the company?	Yes
	Reason for considering leaving	Yes
Management status	Are you considering leaving the company?	Yes
	Reason for considering leaving	Yes
Work type category	Are you considering leaving the company?	Yes
	Reason for considering leaving	Results not conclusive

Significant results were recorded for all the chi-square test, excluding turnover intention based on gender, and reason for considering leaving, based on work type category. The significant chi-square test statistics confirm that the turnover intention and reason for considering leaving the company differ significantly between biographical sub-groups, which strengthens the case for the development of targeted employee retention.

The CHAID analysis further confirmed that segmentation of employees could be done for both turnover intention and reason for considering leaving. Results revealed that African and Indian employees have higher turnover intentions than Coloured and White employees. The reasons for considering leaving are, however, different for African and Indian employees, while the CHAID again segmented White and Coloured employees together, indicating that their reasons for considering leaving are not significantly different.

The last chapter will discuss the results captured in this chapter as they pertain to each of the research objectives. The focus of the discussion will be to make recommendations that can aid practitioners in developing tailor-made retention strategies that address the needs of targeted employee groups.

CHAPTER 5: DISCUSSION OF RESULTS

5.1 INTRODUCTION

The aim of this study was to investigate the dynamics of turnover and retention in a large financial services institution in South Africa. Specific focus was placed on determining whether differences in turnover intention and reasons for considering leaving exist for specific biographical groups, which will enable human resource professionals in shaping targeted retention strategies. The findings and recommendations of the present study are discussed in this chapter. General findings regarding turnover intention and reasons for considering leaving are discussed first, after which the results and recommendations for targeted retention strategies based on employees' gender, population group, management status, and type of work that they perform are presented.

5.2 LABOUR TURNOVER AND THE ANTECEDENTS OF TURNOVER

The literature review presented in Chapter 2 pointed out that labour turnover imposes various costs on an organisation, which have a detrimental effect on an organisation's performance (Sutherland & Jordaan, 2004; Taylor & Frank, 2004). Minimising labour turnover is therefore imperative to ensure an organisation's success (Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004). According to research conducted by the Corporate Leadership Council, in 2010, anticipated annual turnover rates in financial institutions for 2011 was between 5% and 10% (as cited in Van Zyl, 2011, p.21). The high turnover intention (26.74%) recorded among employees in the organisation under study is therefore a cause for concern. This finding lends support to literature that states that labour turnover is on the rise, globally and in South Africa (Hay, 2002; Sutherland & Jordaan, 2004), and indicates a need for the development and implementation of effective retention strategies.

In order to reduce labour turnover and implement effective retention strategies, a good understanding of the antecedents of turnover is required. What was prominent about the results of the presents study was that, although literature suggests that ascertaining the

roots of turnover is very difficult, due to the complex dynamics that underlie turnover intention, the vast majority of employees in this study were able to identify their single most important reason for considering leaving, and most of the reasons that were stated for considering leaving the company have been well researched (Abassi & Hollman, 2000; Allen & Griffeth, 1999; Cappelli, 2000; Chiboiwa et al., 2010; Dalton et al., 1982; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; McKay et al., 2007; Samuel & Chipunza, 2009; Sutherland & Jordaan, 2004; Swanepoel, 2008; Taylor & Frank, 2004; Vallabh & Donald, 2001; Van As, 2001; WeiBo et al., 2010). The fact that most employees were able to ascribe their intention to leave to one specific reason makes the identification of the most important antecedents of turnover easier. Prominent findings related to the antecedents of turnover that were uncovered for the financial services institution in this study are briefly discussed below.

5.2.1 IMPORTANT ANTECEDENT OF TURNOVER: COMPENSATION

Overall, when looking at the antecedents of turnover in the organisation under study, compensation was the most important factor that influenced employees' consideration to leave. Although some researchers have disputed the importance and effectiveness of using compensation as a retention tool (Cappelli, 2000; Hay, 2002; Kerr-Phillips & Thomas, 2009; Samuel & Chipunza, 2009), the results of the present study support the finding of similar studies that human resource practitioners should never underestimate the significance of compensation in retaining their employees (Chiboiwa et al., 2010; Muedell & Rodham, 1998; Samuel & Chipunza, 2009; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001).

5.2.2 IMPORTANT ANTECEDENT OF TURNOVER: EMPLOYEE RECOGNITION AND REWARD

In accordance with studies conducted by Abassi and Hollman (2000), Samuel and Chipunza (2009), and Sutherland and Jordaan (2004), it was identified that employees who feel that they do not get adequate recognition and praise for good performance tend to leave an organisation. The feeling among employees that their contributions are not

recognised and that they are undervalued is one of the most important antecedents of turnover.

5.2.3 IMPORTANT ANTECEDENT OF TURNOVER: BETTER CAREER PROSPECTS AVAILABLE EXTERNALLY

Many employees in the current study stated that better career prospects being available in the job market is their main reason for considering leaving the company. This finding supports the opinion of Cappelli (2000), who stated that, in a market where the demand for talent is high, it is almost impossible to isolate employees from attractive opportunities in the job market. Lucrative external employment opportunities increase employees' intention to leave, as it gives them the confidence that they will be able to find a similar or better position elsewhere (Chiboiwa et al., 2010; Sutherland & Jordaan, 2004; Swanepoel, 2008).

5.2.4 IMPORTANT ANTECEDENT OF TURNOVER: LOSS OF TRUST IN THE LEADERSHIP OF THE COMPANY

An important antecedent of turnover that emerged in the present study was a lack of faith in the leadership of the company. The lack of trust and confidence among employees in the leaders' capabilities to successfully manage and direct the organisation for the foreseeable future contributed significantly to employees' intention to leave. Similar findings were reported in studies conducted by Kerr-Phillips & Thomas (2009), Kyndt et al. (2009), Steel et al. (2002), and Sutherland and Jordaan (2004).

Cumulatively, 64.25% of employees indicated one of the four antecedents of turnover discussed above as their main reason for considering leaving. This illustrates the dominance of these four factors in the turnover intention of employees.

5.2.5 ANTECEDENTS THAT DID NOT FEATURE PROMINENTLY IN THE RESULTS

Although popular in literature, the following antecedents did not feature prominently in the results of this study:

- Although findings related to the influence of the quality of workplace relationships on employee turnover have been mixed, it is one of the most frequently researched antecedents to turnover (Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004). The findings of the present study seem to concur with those studies that found that the quality of relationships has little impact on employee turnover. *Relationship with my manager* was cited by only 4.60% of employees as their reason for considering leaving, while *Relationship with fellow colleagues* was stated by only 0.13% of employees as the reason why they were considering leaving.
- Contrary to literature that states that, due to flatter organisational structures there are fewer career advancement opportunities, and that this contributes to turnover (Chiboiwa et al., 2010; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Steel et al., 2002; Sutherland & Jordaan, 2004), very few employees (0.51%) in the present study stated that a lack of career advancement opportunities was their reason for considering leaving.
- Stress resulting from work overload, and the stress due to an imbalance between work and personal commitments have received extensive attention in literature, but the reported influences of these factors on turnover have been mixed (Grobler et al., 2006; Hausknecht et al., 2009; Judge & Robbins, 2007; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004). *I am experiencing stress from work overload* and *My job is affecting my work-life balance* were stated by very few respondents (8.94% cumulatively) in the present study as reasons for considering leaving.
- Although a significant relationship has been reported between the availability, quality and depth of training and development interventions and employee turnover (Chiboiwa et al., 2010; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Sutherland & Jordaan, 2004), the lack of availability of appropriate learning and development opportunities was stated as a reason for considering leaving by only 7.79% of employees in the present study.

The findings of the present study reveal that the turnover intention of employee's in the organisation is very high, relative to the expected turnover of financial services institutions.

When looking at the entire sample, four prominent antecedents to turnover were identified. Four reasons for considering leaving that feature prominently in the literature did not feature strongly as antecedents to turnover in the current study, and therefore do not provide a comprehensive basis for addressing the high turnover intention of the employees in the present study. The discussion of the results now turns to the feasibility of developing targeted retention strategies in order to enhance retention and reduce turnover.

5.3 TARGETED RETENTION STRATEGIES FOR THE FINANCIAL SERVICES INSTITUTION

The results presented in Chapter 4 indicate that the development of targeted retention strategies based on gender, population group, management level, and type of work that an employee performs is feasible. Statistically significant differences in turnover intention of employees were recorded for respondents from different population groups, management status, and the type of work they perform. Chi-square tests to test for significant differences in the reasons that employees indicated for considering leaving were significant for gender, population group, and management status. The discussion of these findings and recommendations for the development of targeted retention strategies based on gender, population group, management status, and work type category are presented in the subsequent sections.

5.3.1 TARGETED RETENTION STRATEGY: GENDER

The results of the chi-square tests indicated that, although there is not a significant difference in the turnover intentions of men and women, targeted retention strategies should still be developed, because their reasons for considering leaving are significantly different, a similar finding to that of Griffeth et al. (2000).

According to labour legislation of South Africa, women are part of the designated group, and the retention of women is therefore especially important. Based on the results of the present study, retention strategies that target women should focus on instilling trust in the leadership of the company, and on reducing stress that stems from work commitments.

Less emphasis on compensation is required for retaining female employees than for retaining male employees.

Retention strategies aimed at men should focus on providing them with comprehensive, competitive, and equitable compensation packages, as they value remuneration significantly more than women do. Strategies aimed at reducing the pull from the labour market will also help to reduce turnover among men, as they are more likely to leave due to the fact that there are better career opportunities available externally. Contrary to women, retention strategies aimed at men require little focus on instilling trust in the leadership of the company and reducing stress that stems from work responsibilities.

5.3.2 TARGETED RETENTION STRATEGY: POPULATION GROUP

The CHAID analysis provided in Section 4.3.5.1 indicated that an employee's population group is the strongest predictor of intention to leave. The results indicated that non-managerial Black and Indian employees have the highest intention to leave, and developing and implementing targeted retention strategies aimed at these two groups should therefore have the biggest impact on reducing labour turnover. Some studies have suggested that South African labour legislation brings about complex dynamics in the job market that make the retention of designated employees difficult (Booyesen, 2007; Kerr-Phillips & Thomas, 2009; Sadler & Erasmus, 2003; Selby & Sutherland, 2006; Sutherland & Jordaan, 2004; Thomas, 2002; Vallabh & Donald, 2001). The results of this study confirm, to some degree, the findings of studies that have stated that the retention rate of Black recruits is low (Booyesen, 2007; Sadler & Erasmus, 2003; Vallabh & Donald, 2001). However, the present study found that this finding is not true for Coloured employees, even though they are classified as 'Black' in terms of legislation. In fact, the results indicated that, together with White employees, Coloured employees in management positions have the lowest intention to leave the organisation. Other studies have also reported that turnover among Black employees on a managerial level is the highest (Booyesen, 2007; Sadler & Erasmus, 2003; Vallabh & Donald, 2001), while the present study found that turnover is, in fact, higher among non-managerial employees.

The fact that significant differences exist between population groups with regard to reason for considering leaving lays the foundation for the development of targeted retention strategies. The results indicate that the following factors should be considered when developing targeted retention strategies for African employees:

- A lot of focus should be placed on providing these employees with competitive, comprehensive, and fair compensation packages.
- These employees value training and development opportunities, and the provision of appropriate learning and development opportunities should therefore reduce turnover among these employees. Even though this reason for considering leaving was one of the least mentioned overall, as discussed in Section 5.2.5, it is clearly of great importance to African employees. This illustrates the potential value of targeted retention strategies. Developing and implementing training and development interventions for all staff is costly. Providing it to only those employees who value it most will save costs and reduce turnover.
- Stress as a result of work commitments was not often mentioned as a reason for considering leaving, and interventions aimed at reducing work stress will therefore have limited effectiveness in retaining African employees.
- *My job is affecting my work-life balance* was mentioned the least by African employees. Therefore, retention strategies like flexible working hours, compressed work weeks, and alternative physical work locations are unlikely to reduce turnover among African employees.

The following is recommended for retention strategies aimed at Indian employees:

- Interventions aimed at instilling confidence and trust in the leadership of the company should definitely form part of the retention strategy.
- Interventions aimed at assisting employees in managing work stress are recommended.
- Innovative, comprehensive, and equitable compensation strategies should form part of retention strategies aimed at Indian employees.
- Less focus on training and development opportunities is required for Indian employees.

- *My job is not fulfilling my expectations* was mentioned least by Indian employees. Interventions aimed at increasing job satisfaction among Indian employees are not recommended as a retention tool. This finding supports recent literature that stated that the link between job satisfaction and employee turnover is weakening (Chiboiwa et al., 2010; Grobler et al., 2006; Hausknecht et al., 2009; Kerr-Phillips & Thomas, 2009; Kyndt et al., 2009; Steel et al., 2002; Sutherland & Jordaan, 2004; Vallabh & Donald, 2001).

The CHAID analysis revealed that the turnover intention and reasons for considering leaving the company were similar for Coloured and White employees. It is, however, recommended that, before one retention strategy for Coloured and White employees is designed and implemented, further research be conducted to confirm whether these employees' reasons for considering leaving are similar enough to ensure that one retention strategy will be effective. Subtle differences in their reasons for considering leaving the company could be distinguished between Coloured and White employees when looking at the chi-square analysis results, provided in Section 4.3.2.2. Until such time as more results are available on the similarity between the reasons for considering leaving for Coloured and White employees, separate targeted retention strategies are recommended for these two groups.

Retention strategies aimed at Coloured employees should consider the following:

- The main focus should be on ensuring that these employees receive recognition and reward for good work performance.
- As with African employees, training and development opportunities are important to these employees, and, therefore, providing them with appropriate training and development opportunities should help reduce turnover.
- Retention strategies for Coloured employees should include interventions aimed at helping employees to manage work-related stress.
- The relationship between Coloured employees and their managers does not often influence their decision to leave. Interventions aimed at increasing the quality, trust, and confidence of workplace relationships is expected to have limited effectiveness in retaining Coloured employees.

Human resource practitioners and managers should keep the following in mind when developing targeted retention strategies aimed at White employees:

- Of all the population groups, White employees most often stated *My work is affecting my work-life balance* as their primary reason for considering leaving. Flexible work schedules and alternative physical work locations are some of the more contemporary aspects that could possibly be included in retention strategies aimed at White employees.
- Less focus on compensation is required for retention strategies aimed at White employees.
- *No appropriate learning and development opportunities* was not often indicated by White employees as their reason for considering leaving. The implementation of more training and development opportunities for White employees is expected to have a limited impact on the turnover of these employees.

5.3.3 TARGETED RETENTION STRATEGY: MANAGEMENT STATUS

Turnover intention and reasons for considering leaving were significantly different between management and non-management employees, which indicates that separate targeted retention strategies should be developed for each group.

The results for non-managerial employees in the present study correspond closely to the findings of Chiboiwa et al. (2010), which stated that the turnover intention among non-managerial employees is higher than that of managerial employees. As in the study by Chiboiwa et al. (2010), the results reflected in Section 4.3.3.2 highlight that retention strategies for non-managerial employees should focus mainly on implementing relevant and competitive recognition, reward, and compensation practices. Interventions aimed at improving employee-management relationships and reducing work stress are expected to have limited effectiveness in retaining non-managerial staff.

I am experiencing stress from work overload and My job is affecting my work-life balance where indicated more often by management employees than by non-managerial staff. Interventions aimed at helping employees to manage stress that stems from these sources

should aid the retention of these employees. The results of the present study concur with those of the study Hausknecht et al. (2009), which found that compensation becomes less important to employees in management positions.

5.3.4 TARGETED RETENTION STRATEGY: WORK TYPE

The chi-square test results indicate that there is a significant difference in employees' intention to leave according to type of work they perform. The results regarding whether employees' reasons for leaving differ based on the type of work that they do could not be ascertained in this study.

The frequency results did, however, reveal results similar to those of the studies by Horwitz et al. (2003) and Sutherland and Jordaan (2004). For the categories *Professional* and *Investment specialist* (which are characterised by knowledge work), factors that affect their retention are: attractive and competitive compensation, recognition for above average work performance, and good relationships with the leadership of the company. The availability of external job opportunities was found not to be important in the retention of knowledge workers in a study conducted by Sutherland and Jordaan (2004). The results of the current study, however, revealed that it does play an important role in the dynamics that underlie the turnover intention of, specifically, professional staff.

Research findings related to the retention of staff in general administration positions, in particular, are limited. The present study revealed that the turnover among these employees is mainly related to dissatisfaction with their current compensation package, a feeling that they are undervalued and unappreciated, and a perception that there are better career prospects available for them in the external job market. Retention strategies that address these issues are recommended, in order to reduce the turnover among these employees.

The results discussed in this chapter indicate that the development of targeted employee retention strategies is viable. The recommendations made in the discussion can serve as a guideline to human resource practitioners when designing targeted employee retention

strategies. However, the development and implementation of targeted retention strategies should be approached with caution, careful consideration, and planning. The development and implementation of these strategies should always be approached in such a way that it does no alienate employees who do not fall within the target population (Ruch, 2000; Steel et al., 2002).

5.4 LIMITATIONS OF THE STUDY

This study was subject to two limitations, which will be discussed in the subsequent sections.

5.4.1 AGE OF THE SECONDARY DATA

The data used in this study were gathered during a survey conducted in 2011. Changes that have since taken place in the macro- and micro environment may have an influence on the current validity of the research results.

5.4.2 EXTERNAL VALIDITY

This research was based on data gathered during a survey conducted in one company operating primarily in a specific niche market within the financial services industry in South Africa. The vast majority of the respondents who participated in the survey resided and were employed in Gauteng province, South Africa. This imposes specific limitations in terms of the extent to which the results of this study can be generalised to:

- Employees employed in different industries or even in different sectors within the financial services industry; and
- Employers and employees outside of Gauteng Province, South Africa.

5.5 RECOMMENDATIONS FOR FUTURE RESEARCH

The findings of this study suggest a need for further research in the following areas:

- The results of this study could not determine whether there are significant differences in the reasons for considering leaving between employees from different work type categories. The retention of employees with rare and valuable skills is of critical importance to organisations. Further research into the turnover dynamics of employees from different work type categories is required.
- There is need for research on retention dynamics and targeted retention strategies applicable to all employee segments for which the findings of this study differ from findings reported by other studies.
- The scope of research should be expanded to include employees in other sectors of the economy.
- Scope of the research should be expanded geographically. It is expected that unique area-linked micro-economic factors may play a significant role in moderating the causal impact of specific antecedents to labour turnover.
- The results of this study show that significant differences exist in the turnover intention and reasons for considering leaving of employees from different biographical groups, suggesting that targeted retention strategies have the potential to manage employee turnover more effectively than traditional retention strategies. Further research is, however, required to determine the effectiveness of targeted retention strategies.

5.6 CONCLUSION

Existing research confirms the strategic importance of retaining competent staff in organisations, in order for organisations to maintain a competitive advantage in a fast-changing and volatile business environment. Research that highlights the high monetary cost and other negative repercussions of employee turnover has forced organisations to realise the importance of researching and managing employee turnover.

Employee retention and retention strategies are no longer simple concepts. The fickle business environment, which is ever-changing, requires organisations to think anew about

these concepts. The focus of employee retention research has gradually moved away from viewing monetary benefits as the most important determinant of retention, to realising that blanket approaches to managing retention do not achieve optimal results. A number of studies confirmed that retention dynamics differ vastly between employees from different biographical groups, and the grounds for targeted employee retention are evident in the literature.

Through the use of an appropriate research design and methodology, the present study was able to establish the percentage of employees who were considering leaving a financial services company in South Africa, at the time when the data were collected. The results shed light on the most prominent antecedents of employee turnover in the organisation under study, while also identifying the antecedents that contribute only to a small degree to labour turnover.

Results regarding whether employees' intention to leave, and their reasons for considering leaving the company were significant, confirming that these factors differ, depending on employees' biographical characteristics, including gender, population group, management status, and the type of work they perform.

The results of the study can aid especially human resource practitioners in developing tailor-made retention strategies that address the needs of targeted employee groups.

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APPENDIX A
- Survey Questionnaire -

WELCOME TO THE 2011 EMPLOYEE ATTITUDINAL SURVEY

TAKE THE OPPORTUNITY AND BE PART OF OUR FUTURE

The EAS Survey is an ideal opportunity to have your say, not only to identify issues within the Group that need attention, but also to share those things that are working well. All information you provide in this survey is treated as **strictly confidential**. Results are only viewed and reported on at a Business Unit, Division, and Departmental level and never on an individual level. Only the database administrator and external statistician will have direct access to the survey data.

HOW DOES IT WORK?

There are three sections that need to be completed.

SECTION 1: WHO ARE YOU?

This information is for segmentation purposes only, and asks general details about yourself, such as the area in which you work, your gender, etc.

Start by completing the details about yourself. You will need to complete this section before you move on to the next section.

SECTION 2: WHAT IS WORKING AND WHERE CAN WE IMPROVE?

This is the longest section of the survey, but has been divided into four parts. In this section, you are asked how you feel about various aspects of your working environment. Our success in achieving our vision will only happen if we truly live our values by speaking out openly and honestly, one adult to another, with a common view of doing what's best for our business.

Your views and opinions are important to us.

Be sure to complete every question, so that the end results can be accurately reflected. If you require a definition of a word, refer to the Definitions of Terms.

SECTION 3: WHAT MOTIVATES YOU AT OUR ORGANISATION?

This section allows you to write whatever you feel strongly about.

Finally, seal and drop it into one of the EAS collection boxes, or hand it to your Business Unit HR representative.

Thank you for taking the time to participate in the survey!

DEFINITION OF TERMS

For the purpose of this survey, the following terms are to be understood as follows:

- **Manager:** Responsible for driving people processes, and has staff reporting directly to them.
- **Staff:** No formal responsibility for managing staff.
- **Black:** Includes African, Indian and Coloured population groups.
- **Business Unit (BU):** Core business areas in the Group.
- **Division:** Areas that fall within a business unit, which may be led by someone who reports directly to one of the Group Executive members (Divisional Director / Managing Director).
- **Department:** Smaller areas that fall within a division, and may be led by a team leader or head of a department.
- **Team:** Immediate work group that you interact with on a daily basis.
- **Personal development:** Refers to development opportunities available to employees in the form of training courses, on-the-job training, challenging work roles, etc. that serve to enhance their competencies.
- **Career development:** Refers to the lifelong series of activities that contribute to a person's career exploration, establishment, success and / or fulfilment.
- **Fairness of employment practices:** Refers to the extent to which human resources management processes are free of racial bias and inequity.
- **Favouritism:** Refers to favouritism on an interpersonal level in the workplace, especially between a manager and his/her individual staff members.
- **Strategic management processes:** Refers to the processes being applied in the organisation with the aim of achieving strategic objectives.
- **Operational processes:** Refers to business processes and IT systems being utilised to achieve business objectives within the organisation.

SECTION 1: WHO ARE YOU?

In this section, you only need to provide important biographical information that will enable meaningful analysis of survey results. Please note that you will not be able to proceed to the next section without providing all the required information in this section. To complete this section, you are required to click on the appropriate box on your screen. Only one response is allowed per question. Please remember that the race and gender that you indicate will determine the questions that you will be expected to answer in later sections.

A. Gender

Female 1 Male 2

B. Population Group

Indian 1 African 2 3 White 4

C. Management

In your position, do you manage people?

Yes 1 No 2

D. Level

Band	1	2	3	4	5	N/A
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E. Disability

The organisation is committed to employment equity in the work environment. This can only be achieved through identifying barriers to employment opportunities, so that reasonable accommodation can be made for people with disabilities.

i. Do you have a disability?

Yes 1 No 2

ii. If yes, is it

Visible 1 Invisible 2

Please refer to the selection sheet insert and complete the information before you start answering the survey questions. The selection list is used for reporting purposes.

SECTION 2: WHAT WORKS AND WHAT DOESN'T

This section consists of various statements relating to your working environment. Please answer the questions based on your **personal experience**, working in your **current role or job**. There are, of course, no right or wrong answers.

For example, read the statement below and express your views by clicking on a rating scale point that best reflects your opinion of the statement.

Example

	RATING SCALE							
	Disagree strongly			Undecided			Agree strongly	Not Applicable
1. My job allows me to use my knowledge and skills.	1	2	3	4	5	6	7	8

MANAGERIAL STYLE

WHAT IS WORKING AND WHERE CAN WE IMPROVE?

Based on your experience in your current position, to what extent do you agree with the following statements?

	RATING SCALE							
	Disagree strongly			Undecided			Agree strongly	N/A
MY RELATIONSHIP WITH MY IMMEDIATE MANAGER								
1. My manager is effective in exercising control over work activities.	1	2	3	4	5	6	7	8
2. My manager is effective in planning work activities.	1	2	3	4	5	6	7	8
3. My manager inspires me to achieve my work objectives.	1	2	3	4	5	6	7	8
4. My manager deals effectively with conflict.	1	2	3	4	5	6	7	8
5. My manager actively coaches staff, in order to improve their knowledge and skills.	1	2	3	4	5	6	7	8
THE INTEGRITY OF THE ORGANISATION'S MANAGEMENT								
6. There is strong evidence of effective strategic direction in my Business Unit.	1	2	3	4	5	6	7	8
7. I trust leadership in my Business Unit to appropriately balance employee interests with those of the organisation	1	2	3	4	5	6	7	8
8. When opportunities arise, everybody in my Business Unit is considered fairly for promotion.	1	2	3	4	5	6	7	8
9. There is strong evidence of effective leadership in my Business Unit.	1	2	3	4	5	6	7	8
10. Leadership has the capacity and skills to manage and lead people effectively in my Business Unit.	1	2	3	4	5	6	7	8
11. The organisation's leaders conduct themselves in line with the leadership charter.	1	2	3	4	5	6	7	8
12. Leadership really cares about the well-being of employees in my Business Unit	1	2	3	4	5	6	7	8
EFFICIENCY IN THE DECISION-MAKING PROCESS								
13. People in my department are given opportunities to express their points of view.	1	2	3	4	5	6	7	8
14. My manager involves our team in decision-making.	1	2	3	4	5	6	7	8
15. Decision-making processes are streamlined and efficient.	1	2	3	4	5	6	7	8
DEPARTMENTAL FAVOURITISM								
16. Victimisation of individuals in my department doesn't occur.	1	2	3	4	5	6	7	8
17. Management is objective and fair in disciplining employees in my department.	1	2	3	4	5	6	7	8
18. Management treats all employees in my department equally on an interpersonal basis.	1	2	3	4	5	6	7	8
19. There's no personal favouritism in my team.	1	2	3	4	5	6	7	8

FLOW OF COMMUNICATION								
20. Communication from my manager is given timeously and accurately.	1	2	3	4	5	6	7	8
21. Communication within my department is open and honest.	1	2	3	4	5	6	7	8
22. Communication between the various Business Units is effective.	1	2	3	4	5	6	7	8
23. People in my department do not have to rely on the grapevine to learn what is going on.	1	2	3	4	5	6	7	8
24. There is sufficient communication between members of my team on work-related issues.	1	2	3	4	5	6	7	8
25. My manager is prepared to listen to the opinions of staff members.	1	2	3	4	5	6	7	8

WORK EFFICIENCY

EMPOWERING OUR STAFF								
26. I have access to all the information, tools and technology I need to perform my job well.	1	2	3	4	5	6	7	8
27. I am allowed to make decisions, which enables me to perform my job effectively	1	2	3	4	5	6	7	8
28. In my team, sufficient authority is delegated.	1	2	3	4	5	6	7	8
29. I have the people resources available to do my work well.	1	2	3	4	5	6	7	8
FEEDBACK WITH REGARDS TO MY WORK PERFORMANCE								
30. I feel that I can constructively discuss my work performance with my manager.	1	2	3	4	5	6	7	8
31. I am allowed to help identify my performance objectives.	1	2	3	4	5	6	7	8
32. My performance is evaluated fairly and consistently.	1	2	3	4	5	6	7	8
33. I receive regular guidance from my manager about what my work responsibilities are.	1	2	3	4	5	6	7	8
34. The feedback I get from my manager guides me towards personal growth and development.	1	2	3	4	5	6	7	8
35. I receive regular input from my manger about how my work performance will be assessed.	1	2	3	4	5	6	7	8
MY RELATIONSHIP WITH MY IMMEDIATE MANAGER								
36. I often get compliments for the work I do.	1	2	3	4	5	6	7	8
37. I receive appropriate and fair recognition (beyond compensation) for my contributions and accomplishments.	1	2	3	4	5	6	7	8
38. The reward and recognition system in my Business Unit motivates people to perform above average.	1	2	3	4	5	6	7	8

MANAGING PRODUCTIVITY								
39. Most of the activities I perform in my job contribute directly towards the output of my department.	1	2	3	4	5	6	7	8
40. Increasing productivity in the organisation is seen as an important priority.	1	2	3	4	5	6	7	8
41. Productivity in my department is high.	1	2	3	4	5	6	7	8
42. My productivity is not hampered by unnecessary red tape.	1	2	3	4	5	6	7	8
EFFICIENCY OF WORK PROCESSES								
43. In my department, we have effective processes and procedures to deal with work-related decisions and problems.	1	2	3	4	5	6	7	8
44. Workflow processes in my department are streamlined.	1	2	3	4	5	6	7	8
45. There is no unnecessary duplication of work in my department.	1	2	3	4	5	6	7	8

BUSINESS MOTIVATION

OUR STRATEGIC DIRECTION								
46. I understand the organisation's vision and values and what is required of me to live these values.	1	2	3	4	5	6	7	8
47. I believe that the company's strategic objectives will lead to future growth and prosperity for the organisation	1	2	3	4	5	6	7	8
48. The goals and strategies of the company have been clearly communicated to all employees.	1	2	3	4	5	6	7	8
49. The company's overall strategic priorities and values provide me with meaningful direction.	1	2	3	4	5	6	7	8
50. The company's strategic objectives are realistic and achievable.	1	2	3	4	5	6	7	8
MY FEELINGS ABOUT THE ORGANISATION								
51. I feel proud to work at the organisation.	1	2	3	4	5	6	7	8
52. The organisation is a good employer.	1	2	3	4	5	6	7	8
53. The organisation faces a bright future.	1	2	3	4	5	6	7	8
54. I would highly recommend the organisation to a friend seeking employment.	1	2	3	4	5	6	7	8
55. The organisation is living up to its values.	1	2	3	4	5	6	7	8
MANAGING DIVERSITY								
56. Transformation is actively promoted as a core value at the organisation.	1	2	3	4	5	6	7	8
57. My Business Unit's employment equity objectives are clearly communicated to all staff.	1	2	3	4	5	6	7	8
58. Staff in my department receive regular feedback on Business Unit performance in achieving employment equity targets.	1	2	3	4	5	6	7	8
59. Employment equity objectives are promoted in my department.	1	2	3	4	5	6	7	8

SERVICING OUR CUSTOMERS								
60. My department continuously takes active steps to improve customer service.	1	2	3	4	5	6	7	8
61. My department delivers excellent service to its customers.	1	2	3	4	5	6	7	8
62. In my department, we deal successfully with changing customer needs.	1	2	3	4	5	6	7	8
63. My department receives regular feedback about service delivery to our customers.	1	2	3	4	5	6	7	8
64. My Business Unit develops new solutions that deliver increased value to customers.	1	2	3	4	5	6	7	8
65. My Business Unit promotes innovation as a priority in every aspect of our business.	1	2	3	4	5	6	7	8
66. The organisation's products and services are better than those of other financial services institutions.	1	2	3	4	5	6	7	8

EMPLOYEE MOTIVATION

WORK CLIMATE								
67. In my department, conflict seldom impairs our effectiveness.	1	2	3	4	5	6	7	8
68. My department is a fun, energetic and challenging environment that celebrates success.	1	2	3	4	5	6	7	8
69. There is a high level of trust amongst people in my department.	1	2	3	4	5	6	7	8
70. In my department, the inputs of all members are considered before decisions are made.	1	2	3	4	5	6	7	8
FAIR EMPLOYMENT PRACTICES								
71. Employees at the organisation are not prejudiced by racial bias.	1	2	3	4	5	6	7	8
72. Employees from all population groups receive the same amount of support to enhance their careers.	1	2	3	4	5	6	7	8
73. Remuneration structures are applied consistently within all population groups.	1	2	3	4	5	6	7	8
74. Employees within all population groups are considered on an equal basis for promotional opportunities.	1	2	3	4	5	6	7	8
75. The leadership potential of female staff is recognised and developed.	1	2	3	4	5	6	7	8

PERSONAL DEVELOPMENT AND CAREER MANGEMENT								
76. There are opportunities for me to enhance my career within the organisation.	1	2	3	4	5	6	7	8
77. I am encouraged to use new skills and knowledge gained during training.	1	2	3	4	5	6	7	8
78. I am satisfied with the programmes that are available to develop my skills and abilities.	1	2	3	4	5	6	7	8
79. My future career opportunities at the organisation are looking good.	1	2	3	4	5	6	7	8
80. Enough is done to develop me for future job prospects.	1	2	3	4	5	6	7	8
81. There is an effective process to help me identify my developmental needs.	1	2	3	4	5	6	7	8
82. I receive adequate career guidance and counselling when needed.	1	2	3	4	5	6	7	8
REMUNERATION AND BENEFITS								
83. Overall, my remuneration and benefits meet my needs.	1	2	3	4	5	6	7	8
84. I am paid fairly for the contributions I make to my department's success.	1	2	3	4	5	6	7	8
85. I am paid fairly, compared to similar positions in other organisations.	1	2	3	4	5	6	7	8
86. There is a clear link between how well I perform and the increase that I receive.	1	2	3	4	5	6	7	8
87. I am paid fairly, compared to other employees on my level.	1	2	3	4	5	6	7	8
88. The organisation offers good fringe benefits (e.g., medical aid, pension, provident, funeral cover).	1	2	3	4	5	6	7	8
89. The organisation has a good employee value proposition (e.g., crèche, gym, wellness centre, MTN, banking facilities)	1	2	3	4	5	6	7	8
JOB STRESS								
90. The performance outputs expected of me are realistic.	1	2	3	4	5	6	7	8
91. I am able to maintain an appropriate and healthy balance between work and personal commitments.	1	2	3	4	5	6	7	8
92. There is a sufficient number of staff in my department to handle the normal workload.	1	2	3	4	5	6	7	8
93. The workload in my department is equally distributed.	1	2	3	4	5	6	7	8
94. My job does not cause excessive strain and tension in my life	1	2	3	4	5	6	7	8
95. The work atmosphere in the organisation is not excessively stressful	1	2	3	4	5	6	7	8
WORK MOTIVATION								
96. I get a sense of accomplishment from my work.	1	2	3	4	5	6	7	8
97. My work makes full use of my knowledge and abilities.	1	2	3	4	5	6	7	8
98. I feel that I am employed in the position for which I am best suited.	1	2	3	4	5	6	7	8
99. I am sufficiently challenged and stimulated in the work that I do.	1	2	3	4	5	6	7	8
100. I look forward to coming to work most days.	1	2	3	4	5	6	7	8

MANAGING CHANGE IN THE ORGANISATION								
101. In my opinion, people are kept well informed while changes are being implemented in my Business Unit.	1	2	3	4	5	6	7	8
102. Changes in the organisation are successful, because all the implications are considered beforehand.	1	2	3	4	5	6	7	8
103. Employees are involved appropriately in planning and implementing changes that affect people within my department.	1	2	3	4	5	6	7	8
104. Changes are initiated timeously to accommodate improvements to Business Unit objectives and strategies.	1	2	3	4	5	6	7	8
105. Management in my Business Unit translate the vision and strategies of the company into practical action plans to be implemented on a day-to-day basis.	1	2	3	4	5	6	7	8
106. My Business Unit is successful in accommodating the changes in the external environment that will impact on the organisation's future viability.	1	2	3	4	5	6	7	8
107. Looking back over the past year, I can see a lot of positive changes that have taken place in my Business Unit.	1	2	3	4	5	6	7	8

SECTION 3: WHAT MOTIVATES YOU AT OUR ORGANISATION?

SUSTAINABILITY

The concept of sustainable business has gathered momentum locally and internationally. A business is sustainable when its operational activities enhance business performance, but at the same time protect and preserve the environment and society in which it operates. Stakeholders increasingly expect companies to report on their economic, environmental and social impacts towards sustainability efforts.

1. Do you believe that it is important that the organisation measures and addresses its environmental, social and economic impact?

Yes	1
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No	2
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2. What do you believe are the organisation's material sustainability issues?

3. Does the organisation currently address these issues?

Yes	1
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No	2
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4. Is your Business Unit addressing sustainability adequately?

Yes	1
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No	2
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5. Do you read the sustainability report?

Yes	1
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No	2
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6. What is your preferred way of finding out about the organisation's sustainability progress?

1	Newspaper format	2	Annual report	3	Online
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Retention

7. Which one of the following options most accurately describes the **TYPE** of work that you are involved in?

1	General administration
2	Professional (i.e. legal, actuarial, accounting, human resources)
3	Investment specialist
4	Marketing and communications
5	Sales
6	Call centre
7	Facilities management and security
8	Property management
9	Information technology
10	Strategic leadership

8. Are you currently considering leaving the organisation?

Yes	1
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No	2
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If your answer is "Yes," select the main reason for leaving from the list below.

1	Relationship with my manager
2	My job is not fulfilling my expectations
3	No appropriate learning and development opportunities available
4	I feel unrecognised and undervalued
5	I am experiencing stress from work overload

6	My job is affecting my work-life balance
7	I have lost trust in the leadership of the Organisation
8	I am not remunerated correctly
9	Better career prospects available externally
10	Other

If you answer "Other" to the above question, please tell us your reason.

9. What is the **SINGLE** most important thing that your Business Unit needs to do in order to:

a) Achieve the organisation's business objectives

b) Make staff feel appreciated and motivated

c) Provide opportunities to enhance my career at the organisation

10. Did you receive feedback on the 2009 survey results?

Yes	1
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No	2
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11. How effective were interventions implemented in your Business Unit to address areas of concern identified in the 2009 survey?

RATING SCALE								
Not effective at all			Undecided			Highly effective	No interventions were implemented	N/A
1	2	3	4	5	6	7	8	9