An investigation of remuneration, job satisfaction and turnover intention in a petrochemical company

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The study was conducted to investigate the relationships between remuneration, job satisfaction and turnover intention in a petrochemical company. In this study, the quantitative method approach was followed in the form of electronic and hard copies of questionnaires distributed. Measuring instruments were utilised to ascertain pay satisfaction, job satisfaction and turnover intention. This approach was chosen as the best approach for this study as it addresses factors related to remuneration, job satisfaction and turnover intention.

Employee Turnover is a painful subject for many organisations in a world where there are many economic challenges. Due to changes, organisations are affected by economic challenges in which organisations are required to remain competitive. Structural changes are employed in order to save cost and remain profitable and the remuneration of employees is also impacted. In this study, various models are being explored and applied in order to investigate relations. Pearson’s correlations and multiple regression tests were conducted to test the hypotheses.

In this study, a total number of 65 employees participated and the results showed that the more employees are satisfied with their pay, the lesser the chances are for them to have intentions to quit the company. Further to these results, it was also evident that the more employees are also satisfied with their jobs, the smaller the chance is that they will think about leaving the organisation.

It is recommended that management should use these findings as a basis to improve remuneration and retention strategies. Future research is also recommended whereby the entire organisation would participate in order to develop comprehensive strategies.

**Keywords:** Remuneration, pay satisfaction, job satisfaction, employee turnover intentions, retention, pay, organisational challenges
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# TABLE OF CONTENTS

CHAPTER 1 ........................................................................................................................................... 9
INTRODUCTION ........................................................................................................................................ 9

1.1 PROBLEM STATEMENT ......................................................................................................................... 9
    1.1.1 Research questions ..................................................................................................................... 12

1.2 RESEARCH OBJECTIVES ...................................................................................................................... 12
    1.2.1 General objective ..................................................................................................................... 12
    1.2.2 Specific objectives .................................................................................................................. 12

1.3 RESEARCH HYPOTHESES .................................................................................................................. 13
    1.3.1 Conceptual framework ........................................................................................................... 13

Figure 1: Conceptual Framework .................................................................................................................. 13

1.4 RESEARCH DESIGN ............................................................................................................................. 14
    1.4.1 Research approach .................................................................................................................. 14

1.5 RESEARCH METHOD .......................................................................................................................... 14
    1.5.1 Literature review ...................................................................................................................... 14
    1.5.2 Research participants .............................................................................................................. 14
    1.5.3 Measuring instruments ........................................................................................................... 15
    1.5.4 Research procedure ................................................................................................................ 15
    1.5.5 Data analysis ........................................................................................................................... 16

1.6 ETHICAL CONSIDERATIONS ............................................................................................................. 16

1.7 CHAPTER DIVISION .......................................................................................................................... 16

1.8 MANAGERIAL IMPLICATIONS .......................................................................................................... 16

CHAPTER 2 ........................................................................................................................................ 18
LITERATURE REVIEW: REMUNERATION, JOB SATISFACTION AND TURNOVER INTENTION ............... 18
INTRODUCTION ........................................................................................................................................ 18

2.1 PAY SATISFACTION ............................................................................................................................ 18
    2.1.1 Definition of pay satisfaction .................................................................................................... 18
    2.1.2 Importance of pay satisfaction ................................................................................................ 19
    2.1.3 Dimensions of pay ................................................................................................................... 19
    2.1.4 Organisational rewards .......................................................................................................... 20
    2.1.5 Models and theories of pay satisfaction .................................................................................... 20
        2.1.5.1 Equity theory .................................................................................................................... 20
        2.1.5.2 Discrepancy theory ........................................................................................................... 22
        2.1.5.3 Expectancy theory ............................................................................................................ 23

2.2 JOB SATISFACTION ............................................................................................................................ 23
    2.2.1 Definition of job satisfaction ..................................................................................................... 23
LIST OF FIGURES

FIGURE 1: Conceptual framework
FIGURE 2: Adam’s equity theory
FIGURE 3: Heneman and Schwab’s discrepancy model
FIGURE 4: Vroom’s expectancy theory simple mode
FIGURE 5: Maslow’s hierarchy of needs
FIGURE 6: Percentage distribution per age group
FIGURE 7: Percentage distribution by race
FIGURE 8: Percentage distribution of employee level of education
FIGURE 9: Employee marital status
FIGURE 10: Percentage distribution of employee years of service
FIGURE 11: Percentage distribution of role categories
FIGURE 12: Percentage distribution of organisation level
FIGURE 13: Percentage distribution by functional area
LIST OF TABLES

TABLE 1: Age
TABLE 2: Race
TABLE 3: Gender
TABLE 4: Level of education
TABLE 5: Marital status
TABLE 6: Years of service
TABLE 7: Role category
TABLE 8: Organisational level
TABLE 9: Functional area
TABLE 10: Percentage distribution of responses on pay satisfaction
TABLE 11: Percentage distribution of responses on job satisfaction
TABLE 12: Percentage distribution of responses on turnover intention
TABLE 13: Descriptive statistics of the measuring instruments
TABLE 14: Reliability of measuring batteries
TABLE 15: Relationship between pay satisfaction and job satisfaction
TABLE 16: Relationship between pay satisfaction and turnover intention
TABLE 17: Relationship between job satisfaction and turnover intention
TABLE 18: Relationship between pay satisfaction, job satisfaction and turnover intention
TABLE 19: Regression analysis for pay satisfaction and job satisfaction
TABLE 20: Regression analysis for pay satisfaction turnover intention
CHAPTER 1

INTRODUCTION

1.1 PROBLEM STATEMENT

Current trends in remuneration have created situations in which companies need to consider their offering in terms of remuneration. In recent years, we have seen quite a shift in remuneration, with the demands made by employees through the unions. The Marikana case is one of the cases that prompts one to research and understand the impact of remuneration regarding the productivity of employees. Even though the Farlam Commission has made its findings and recommendations, it is quite clear that remuneration was one of the main contributors to the dispute that occurred.

The changing economy of the world has resulted in some changes to companies, in that, for survival, companies need to restructure and change the way in which they operate. The first option that is investigated in terms of restructuring is head count, which results in the reduction of labour costs. Labour costs are continually increasing due to the demands made by employees for better living conditions and affordability of life.

The company in which the study will be conducted has gone through a restructuring process due to changing economic conditions. The company had to change its operating model, which influences their ways of working, even with regard to the processes within. One of the changes was the remuneration philosophy, whereby employees were informed that they will be remunerated according to their performance.

The culture of the company changed from normal standards of performance to seeking to build a high-performance culture. The remuneration philosophy, i.e. the way in which people are remunerated, had to change to support the high performance culture that the company is aspiring to achieve. The alignment with the new operating model meant some of the employees’
remuneration will be affected as roles changed. Some of the roles were affected, in that the remuneration levels changed and that meant a review of remuneration due to the changes.

During the change process, some of the employees were given an option to apply for voluntary retrenchment and some of these were approved. The company recently experienced an exodus of experienced personnel in some of the critical operations. This is due to fears of review of remuneration and the changes that are affecting their remuneration levels and the loss of benefits. According to Williams, Brower, Ford, Williams & Carraher (2008), employee remuneration is one of the largest expenses in companies.

It is evident that, in these economic conditions, companies have to review their positions in relation to the markets they operate in. The challenges that are facing the company are the volatile environment it is operating in and the impact that it has on the employees as it affects their remuneration. It is my view that employees are a huge asset to the company as they ensure that the goals of the company are achieved, but it is important to note that employees’ goals are also important.

Remuneration is of primary concern to both employers and employees, in satisfying the needs of the employees. Remuneration has a huge impact on the attitudes and behaviour of the employees (Singh & Loncar, 2010). Singh and Loncar (2010) assert that if employees are dissatisfied with their remuneration, this might lead to decreasing commitment to the position and work. Further to this, it might also lead to employees stealing and even not coming to work as required. Tang and Tang (2012) state that some of the undesirable consequences regarding pay dissatisfaction can be counterproductive behaviour, workplace deviance, organisational misbehaviour and unethical behaviour. The remuneration level of satisfaction is influenced by employees comparing their actual remuneration with the remuneration that they think they are entitled to. Employees also place a focus on their work effort and period in the company to measure the remuneration level, even comparing with other employees (Scheurs, Guenter, van Emmerik, Notelaers & Schumacher, 2015).

Panaccio (2014) asserts that the key contributing factor in companies achieving their business goals is employees who are satisfied with their remuneration. Panaccio (2014) further states that
employees’ satisfaction with their remuneration also represents their feelings towards remuneration. It can also be an indicator to the company of the employees’ willingness to stay or leave the company. It is my view that, to attract, motivate and retain employees, it is critical that they are satisfied with their remuneration in relation to their input. Remuneration can also affect the organisational effectiveness in delivering on its mandate to all the stakeholders. Employees who are satisfied with their remuneration are less likely to leave the company and can continue to contribute to the achievement of the organisation’s goals (Schreurs et al., 2015).

According to Yang, Miao, Zhu, Sun, Liu & Wu (2008), job satisfaction has an influence on various aspects, such as efficiency, productivity, absenteeism, turnover rates and intentions to quit. Yang et al. (2008) further mention that job satisfaction is one of the most important constructs that have been studied within this context. Locke (1976) provides the following definition for job satisfaction: “The pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience”. Yang et al. (2008) further allude to the fact that other researchers have provided more input regarding the definition of job satisfaction in that it comprises feelings or affective responses to facets of the situation.

The current key concern for companies is employee turnover; this is due to the resources and the money involved (Singh & Loncar, 2010). Companies spend time and money to replace employees who have exited the company, and the costs of recruitment and training are enormous. Singh and Loncar, (2010) further state that “some costs, such as the disruption of the organisation’s daily operations and the emotional stress and at times the work overload it cause those who remain, are difficult to capture in monetary terms”.

According to De Gieter, De Cooman, Hoffmans, Pepermans & Jegers (2012), companies invest time, effort and money developing, motivating and remunerating their employees in order to avoid employees leaving the company. It is evident that employee turnover creates additional expenses, but it is also a threat to the continuation of the company, the quality of goods and services, and the company culture.

According to Treuren and Frankish (2014), studies have shown that an improved understanding by employees of how they are remunerated can result in employees being more satisfied with
their remuneration, experience increased job satisfaction, resulting in improved organisational performance and a reduction of employees’ intention to leave the company.

1.1.1 Research questions

On the basis of the problem statement, the following research questions can be formulated:

- How are remuneration, job satisfaction and turnover intention and the relationship between these constructs conceptualised in the literature?
- What are the relationships between remuneration, job satisfaction and turnover intention in a petrochemical company?
- Can remuneration predict job satisfaction and turnover intention in a petrochemical company?

1.2 RESEARCH OBJECTIVES

The research objectives are divided into a general objective and specific objectives.

1.2.1 General objective

The general objective of this research is to establish the relationship between remuneration, job satisfaction and turnover intention in a petrochemical company.

1.2.2 Specific objectives

The specific objectives of this research are:

- to conceptualise remuneration, job satisfaction and turnover intention and the relationship between these constructs from the literature;
- to investigate the relationships between remuneration, job satisfaction and turnover intention in a petrochemical company; and
To determine how remuneration can be used to predict job satisfaction and turnover intention in a petrochemical company.

1.3 RESEARCH HYPOTHESES

The research hypotheses will be the following:

H1: There is no significant correlation between remuneration and job satisfaction.

H2: There is no significant correlation between remuneration and turnover intention

H3: There is no relationship between remuneration, job satisfaction and turnover intention

H4: Remuneration can predict job satisfaction and turnover intention

1.3.1 Conceptual framework

![Conceptual Framework Diagram]

Figure 1: Conceptual Framework
1.4 RESEARCH DESIGN

1.4.1 Research approach

A quantitative approach will be followed due to the nature of the data. A cross-sectional survey design using questionnaires will be used. This design can be used to assess interrelationships among variables at one point in time, without any planned intervention (Trochim & Donnelly, 2007). According to Shaughnessy and Zechmeister (1997), this design is ideally suited when the aim of the study is predictive and descriptive by nature.

1.5 RESEARCH METHOD

1.5.1 Literature review

In the literature review, the focus will be on previous research that has been conducted on remuneration, job satisfaction and turnover intentions with the Petrochemical sector.

The following sources will be used:

- The internet
- Journals (Management, Human Resource Management, Psychology and Personnel Management)
- EBSCOhost
- Seminar papers and newspapers
- World at Work articles
- South African Journals on HRM and Industrial Psychology
- Library catalogues

1.5.2 Research participants

The participants of this research were the entire population within the operations environments on both the company sites. The target population was specifically the engineers, technologists and senior managers in the production and engineering areas; even the employees in functions
such as HR and supply chain. The total research population size that was used was 65 participants.

1.5.3 Measuring instruments

The following measuring instruments will be used:

- **The pay satisfaction questionnaire (PSQ)** will be used to assess the level of remuneration satisfaction. The questionnaire was developed by Henema and Schwab (1985). It uses four subscales, namely pay benefits, amount of last pay increase, pay structure and administration, and also measures overall satisfaction with remuneration. The responses are obtained on a five-point Likert-type scale from ‘very dissatisfied’ to ‘very satisfied’.

- **The Minnesota job satisfaction questionnaire (MSQ), shortened version**, will be used to assess the level of job satisfaction of the participants in this study. According to Foxcroft and Roodt (2001), the questionnaire taps affective responses to various aspects of one’s job. The three main facets of job satisfaction can be assessed with the 20 items of the MSQ. The response varies on a five-point intensity scale between ‘very dissatisfied’ to ‘very satisfied’. It contains three subscales, namely intrinsic satisfaction, extrinsic satisfaction and general satisfaction.

- **The turnover intention scale (TIS)** will be used to measure the intention to leave or stay, and will be measured with a six-item scale adapted from the 15-item scale developed by Roodt (2004). Some of the items measured are, for example, ‘How often have you considered leaving your job?’

1.5.4 Research procedure

A measuring battery will be compiled and a letter of consent attached to each battery requesting participation and guaranteeing anonymity. A total number of 100 hard copies will be distributed to the participants on site. The other procedure that will be used is that an electronic invitation to participate will be sent to all participants. Permission for distribution of the questionnaires in electronic format to participants will be sought. Electronic reminders will be sent weekly reminding of and requesting participation. The collection date and points of the hard copy questionnaire will be communicated.
1.5.5 Data analysis

The statistical analysis will be carried out by means of PHStat and LSTAT. Exploratory factor analyses (EFAs) will be conducted on the measures to examine the dimensionality of the sub-scales. It should also be noted that the SPSS program will be used to carry out the analysis. Descriptive statistics including Cronbach’s alpha coefficients were determined to assess the reliability of the measuring instruments. Pearson’s product-moment correlation was used to identify the relationships between the variables.

1.6 ETHICAL CONSIDERATIONS

Walliman (2011) states that honesty is essential when conducting research, and even the way you present your research to the participants. Confidentiality in this research will be highly upheld, as the research is of a sensitive nature in that it deals with remuneration. The questionnaires will not require any identification such as personnel numbers or employee names. Furthermore, a consent letter will be sent to management and participants to explain the purpose of this research. Results will be shared with the participants.

1.7 CHAPTER DIVISION

The layout of chapters will be as follows:

- **Chapter 1**: Introduction
- **Chapter 2**: Literature review: Remuneration, job satisfaction and turnover intention
- **Chapter 3**: Findings and results
- **Chapter 4**: Conclusion, research limitations and recommendations

1.8 MANAGERIAL IMPLICATIONS

The research will contribute tremendously to management as this will provide management with information on how to improve in the variables being researched. In recent months, the company...
has faced challenges regarding remuneration, as some of the employees were not satisfied with their remuneration and increases received. In exit interviews, two items mainly came up as causes for resignation, namely remuneration and benefits, and job satisfaction. This research attempts to assist management in being proactive in identifying the key remuneration challenges prevalent in the workforce and improving on these issues identified in order to improve job satisfaction and reduce turnover – both with positive results for the organisation.
CHAPTER 2

LITERATURE REVIEW: REMUNERATION, JOB SATISFACTION AND TURNOVER INTENTION

INTRODUCTION

A theoretical investigation of pay satisfaction, job satisfaction and turnover intention will be provided. The importance of pay satisfaction, job satisfaction and turnover intention will be highlighted as well as the definitions. The consequences of job satisfaction will be investigated with its causes and effects.

2.1 PAY SATISFACTION

2.1.1 Definition of pay satisfaction

According to Colquitt et al. (2013), pay satisfaction refers to employees’ feelings about their pay, including whether it is as much they deserve, secure and adequate for both normal expenses and luxury items. Wang, Chen, Hyde and Hsieh (2016) define pay satisfaction as the feelings or affective perceptions that an individual experiences in relation to the existing pay system. Pay satisfaction can have a positive or negative impact on an individual's feeling about his or her pay level (Wang et al., 2016).

Weiner (1980) states that Lawler defines pay satisfaction as the congruence between what individuals perceive they are paid and their perception of the amount they should be paid. He further mentions that dissatisfaction results when the amount one receives is perceived to be less than the amount one feels one should receive.

In other words, pay satisfaction by the employees is influenced by their feelings and the perceptions they have. The employees measure their worth also in relation to the output they provide to the organisation. Consequently, they measure the congruence of their pay with the output they provide to the organisation. If pay does not match the input, then negative feelings may arise, which may lead to unhappiness.
2.1.2 Importance of pay satisfaction

Bhanu (2011) mentions that satisfaction with pay is one of the critical elements for overall satisfaction, and that it is important because it has serious implications for the individual’s performance, absenteeism and labour turnover. Employee satisfaction with pay should be of particular importance to organisations as the neglect thereof can result in substantial costs of doing business. Schreurs, Guenter, Schumacher, van Emmerik and Notelaers (2015) state that an employee’s salary does not only have an economic and instrumental value, but it also carries an important symbolic and emotional value for the assessment of one’s self worth and status.

Pay satisfaction is a critical resource for the organisation, as well as being valued by the employee. Pay serves many functions for individuals; their attitudes toward and their reactions to pay are critical in shaping the overall effective and behavioural reactions to the organisation (Shaw, Duffy, Jenkins & Gupta, 1999). The behaviour of employees towards the organisation will be influenced by how it pays the employees. Furthermore, pay can assist with regard to the attitude towards work from the employees. Pay satisfaction plays a critical role in achieving some of the organisation’s aspirations and goals.

2.1.3 Dimensions of pay

Faulk (2002) provides dimensions as mentioned in the study of Heneman and Schwab which are as follows:

- Pay level: This is the average of several wages or salaries in the organisation. The average may be based on the individual pay rates for a single position or on pay averages for a number of positions
- Pay structure: This is the hierarchy of pay rates or levels among jobs in an organisation.
- Pay system: This is the method the organisation uses to determine pay raises for individuals, which can be computed in terms of the amount of time the employee spends on the job or for his performance or efficiency.
Pay form: This is the type of pay that is perceived by the employee. Pay may be viewed as direct remuneration for time worked or performance, or it may be viewed as indirect remuneration in the form of fringe benefits or services.

2.1.4 Organisational rewards

Organisational rewards can be categorised as tangible versus intangible (Renaud, Morin & Bechard, 2017). The tangible rewards can be extrinsic and financial rewards. These are rewards that function to satisfy our basic needs, as well as psychological and security needs. Tangible rewards include two critical elements, which are compensation and benefits (Renaud et al., 2017).

2.1.5 Models and theories of pay satisfaction

In order to understand pay satisfaction, it is necessary to mention all the aspects pertaining to pay. Pay is multidimensional, because the models and theories that are mentioned in this study will assist in understanding pay.

2.1.5.1 Equity theory

The equity theory indicates that individuals are interested in maintaining fairness in their relationship with the organisation. According to Faulk (2002), fairness is determined by social comparison based on a social exchange, and this exchange takes place between the employee and the organisation. The theory, in essence, suggests that high job satisfaction is motivated by the expectation of the employee based on the effort he puts into accomplishing the task.
Figure 2: Adam’s equity theory

According to Faulk (2002), in Figure 2, the individual examines the ratio of what is perceived from the organisation to what is contributed to the organisation. The more similar the ratios are, the greater the satisfaction. This theory is important, because it explains how individuals form an attitude regarding pay. Once this attitude is formed, it can lead to an individual either acting in a certain way, or maintaining the current behaviour that may lead to a state of satisfaction.

Equity in pay plays a critical role in ensuring satisfaction. Individuals would always compare even their output with their counterparts in trying to measure the fairness of distribution of pay. This also influences the individual’s attitude in the organisation and also affecting the performance of the individual.
2.1.5.2 Discrepancy theory

Figure 3: Heneman and Schwab’s discrepancy model

According to this theory, motivation to engage in behaviours to reduce tension is not solely determined by the difference between what is expected and what is usually received (Faulk, 2002). In this focal theory, the individual assesses his level of inputs and uses a referent other’s inputs and outcomes to partially determine the amount of pay that should be received.
2.1.5.3 Expectancy theory

The expectancy theory describes the cognitive process that employees go through to make choices among different voluntary responses (Colquitt et al., 2013). They further state that this theory suggests that the choices that employees make depend on three specific beliefs that are based on their past learning and experience.

Bagraim (2011) mentions some important guidelines that managers should follow:

- Increase the expectancy that greater effort will lead to performance;
- Rewards given by the organisation should be personally meaningful to employees;
- Rewards and performance should be clearly linked. Managers should enhance the employee’s belief that performance will be rewarded.

Figure 4 Vroom’s expectancy theory simple model

2.2 JOB SATISFACTION

2.2.1 Definition of job satisfaction

According to Vecchio (2006), one’s thinking and feeling towards work is termed job satisfaction. He further mentions that a person’s level of job satisfaction is influenced by experience and more
specifically his stressful experiences. Furthermore, an employee’s expectations about the job can be greatly influenced by his or her interpretation of work-related experiences.

Feldman and Arnold (1983) define job satisfaction as the amount of overall positive effect that individuals have towards their jobs. This means that an individual who has high job satisfaction generally likes and values the job highly and feels positively toward it (Feldman & Arnold, 1983).

Job satisfaction is a pleasurable emotional state resulting from the appraisal of one’s job or job experiences (Colquitt, Lepine & Wesson, 2013). Colquitt et al. (2013) further mention that this represents how one is feeling about the job and what he thinks about the job. Employees with high job satisfaction experience positive feelings when they think about their duties or take part in task activities.

Wagner and Hollenbeck (2005) define job satisfaction as a pleasurable feeling that results from the perceptions that one’s job fulfils or allows for the fulfilment of one’s important job values. According to Colquitt et al. (2013), values are those things that people consciously or subconsciously want to seek or obtain.

### 2.2.2 The importance of job satisfaction

Vecchio (2006) asserts that given the fact that most employees spend most of their adult lives at work, employers have a moral obligation to make the experience personally rewarding. Job satisfaction plays an important role in an organisation’s ability to attract and retain qualified employees. Low levels of job satisfaction can result in problems such as turnover, absenteeism, union-organised activities and increasing numbers of grievances (Vecchio, 2006).

According to Slocum and Hellriegel (2009), there are also various factors that influence job satisfaction, such as challenging work, interesting co-workers, salary, the opportunity to learn and good working conditions.

### 2.2.3 Sources of job satisfaction

There are two categories in which job categories fall, namely intrinsic and extrinsic. Vecchio (2006) explains them in the following way:
**Intrinsic sources** come from *within* the individual and have a psychological value. They are also self-administered.

**Extrinsic sources** come from *outside* the individual; they emanate from his environment. These are forces beyond the control of the individual.

### 2.2.3.1 Extrinsic sources of job satisfaction

**Expectations**

Expectations have a powerful influence on a person’s level of satisfaction. Often, employees have unrealistically high expectations and also fantasise about how radically they will rise on the corporate ladder (Vecchio, 2006). They sometime face the harsh corporate world, where there are no promotions that extend from the position they are in.

**Pay**

Feldman and Arnold (1983) mention that pay does play an important role in determining job satisfaction. They further mention a study that was done by Lawler and Porter in which it was found that the amount of salary received was positively related to satisfaction. Pay satisfaction is based on a comparison of the pay that employees want and the pay they receive (Colquitt *et al.*, 2013). Singh and Loncar state that pay is very important in satisfying the economic needs of employees, and that it has an impact on the attitudes and behaviour of employees.

**Promotions**

According to Kondalkar (2006), organisations’ promotion policies and procedures must be just, unambiguous, and in line with the prevalent industry norms and employee expectations. Employees must perceive these policies and procedures to be fair and that the policies are growth oriented and incremental in nature.

**Supervision**

This reflects employees’ feelings about their boss, including whether the boss is competent, polite and a good communicator. It is important to note that this depends on whether supervisors provide rewards for good performance, help employees obtain necessary resources and protect employees from unnecessary distractions (Colquitt *et al.*, 2013). According to Kondalkar (2006),
supervisors must be qualified in order to be available for advice, guidance and problem-solving. He further mentions that supervisors should also take personal interest in the affairs of employees.

**Work group**

According to Colquitt *et al.* (2013), this refers to employees' feelings about their fellow employees; whether co-workers are smart, responsible, helpful, fun and interesting, as opposed to being lazy, gossipy, unpleasant and boring. A good and supportive work group makes the job more enjoyable and this is essential for job satisfaction.

**Working conditions**

According to Mandhanya (2015), employees expect a work environment where they can utilise their talent and satisfy their basic needs. The working conditions are one of the critical factors that affect employees’ decision to stay with the organisation. Employees love to work in a place where they are given a proper environment to work in. Due to technology developments, it is important for organisations to upgrade technology, systems and procedures (Kondalkar, 2006).

**2.2.3.2 Intrinsic sources of job satisfaction**

**The work itself**

This relates to the employees’ feelings about their actual work tasks, including whether those tasks are challenging, interesting, respected and make use of key skills rather than being dull, repetitive and uncomfortable (Colquitt *et al.*, 2013). Colquitt *et al.* (2013) highlight three critical psychological states that make work more satisfying, which are:

- **Meaningfulness of work**, which reflects the degree to which work tasks are viewed as something that counts in the employee’s system of philosophies and beliefs.
- **Responsibility for outcomes**, which captures the degree to which employees feel that they are key drivers of the quality of the unit’s work.
- **Knowledge of results**, which reflects the extent to which employees know how well or how poorly they are doing.
Control over work methods and work pace

Evidence from research studies conducted suggests that control over work methods and work pace is strongly linked to job satisfaction (Feldman & Arnold, 1983).

Use of skills and abilities

The use of valued skills and abilities provides employees with a sense of self pride, a sense of competence and a sense of self confidence. Research by Vroom has found that there is a strong relationship between the opportunity for self-expression in the job and job satisfaction (Feldman & Arnold, 1983).

2.2.4 Theory on job satisfaction

2.2.4.1 Maslow’s needs hierarchy

Maslow’s theory states that employees would be motivated and satisfied with their jobs only when certain desires are met. He further explains five major needs that are ordered hierarchically, as shown if Figure 1 below.
As shown in Figure 1, the movement of needs for employees is dependent on the fact that they meet once each need for psychological needs is met, and then the employee moves to the next level.

- Psychological needs: Fair salaries or wages, comfortable work environment, warmth, light space and air conditioning.
- Safety: Safe working conditions, job security and fringe benefits.
- Social: Social interaction among employees, stable groups, encouragement with regard to co-operation.
- Esteem: Recognition of high achievement, meaningful work activities, title that commands respect.
- Self-actualisation: Challenges at work, opportunities for advancement, opportunities for creativity, encouragement for high performance.

### 2.2.4.2 Herzberg's two-factor theory
According to Bagraim (2011), this theory deals with the factors that make employees feel good about their jobs. The research done by Herzberg found that employees who felt good about their jobs ascribed this to internal factors and this resulted in job satisfaction. Employees who did not feel good about their jobs ascribed their attitude to external factors and this resulted in job dissatisfaction (Bagraim, 2011). The theory further indicates that managers should eliminate factors in the work environment that lead to job dissatisfaction and that hygiene factors must be maintained. Managers should also emphasise factors associated with the work itself, such as promotional opportunities, opportunities for personal growth, recognition, attaining a sense of achievement and responsibility (Bagraim, 2011).

Pettinger (2010) mentions that the work of Herzberg encourages managers to concentrate on their management style, attitude and approach to the employees, which are based on integrity, honesty and trust. He further states that managers should promote effective and professional relationships between employees.

2.2.5 Consequences of job satisfaction

Absenteism

Employees who are less satisfied are more likely to miss work than employees who are highly satisfied (Vecchio, 2006). This is voluntary, as the employee makes the decision not to come to work.

Tardiness

Vecchio (2006) states that certain forms of employee tardiness, caused by lingering in the parking area or restrooms, can attributed to attitudinal factors such as dissatisfaction, low job involvement and low professional commitment.

Turnover

Vecchio (2006) alludes to the fact that studies have indicated that dissatisfied employees are more likely to quit. Job dissatisfaction can also influence withdrawal behaviour in which dissatisfied employees would stay away from work or even resign (Feldman & Arnold, 1983). It is also important to note that while there is a strong relationship between job satisfaction and turnover, the availability of alternative employment also has an influence on turnover. The labour
market position can influence the decision of the employee to leave or stay with the company (Feldman & Arnold, 1983).

**Union activity**

Employees who are dissatisfied tend to have an increased interest in union activities (Vecchio, 2006). More cases are lodged by employees as they now are more active in the unions. Some employees nominate themselves to be union representatives in trying to prove a point to the company and trying to expose the employer’s activities.

**Hostile actions**

Vecchio (2006) believes that extremely dissatisfied employees engage in hostile actions directed against their employers and other employees. These hostile actions can be sabotaging machinery or production, employee theft, vandalising company property, unfairly criticising the employer to customers or the public, and physical violence directed at other employees.

**2.2.6 Job satisfaction and productivity**

Satisfied employees are more productive and they are inclined to be more involved with their work and consequently they will be more productive (Vecchio, 2006). Managers tend to overestimate the influence of job satisfaction; they underestimate other factors that contribute to productivity, such as informal work norms and task interdependence.

According to Kondalkar (2006), organisations that seek to make employees happy have increased productivity, and productivity is considered as reward for hard work that is due to high levels of satisfaction.
2.3 TURNOVER INTENTION

2.3.1 Definition of turnover intentions

In their studies, Wang et al. (2016) define turnover intention as a psychological willingness to leave an organisation. The employee, in this instance, has thoughts of quitting and seeking other opportunities. Huang and Su (2016) mention that it can also refer to the conscious and deliberate willingness to leave the organisation.

2.3.2 Voluntary and involuntary turnover

Turnover has been viewed as one of the negative phenomena that need to be managed by the organisation in order to remain effective (Theron, Barkhuizen & du Plessis, 2014; Shaw & Gupta). Theron et al. (2014) mention that involuntary turnover can be controlled by the organisation and voluntary turnover is within the control and free will of the employee. Turnover can be avoided if organisations have information or can do something to prevent employees from leaving the organisation. Some employee turnover is unavoidable due to reasons over which the organisation has no control.

According to Morrel, Loan-Clarke and Wilkinson (2001), and Theron et al. (2014), information gathered on employee turnover can assist the organisation in identifying possible turnover and implementing interventions that could prevent turnover. According to Masemola (2011), turnover is two sided; the one is dysfunctional, while the other is functional. She further explains that functional turnover is beneficial for the organisation as new ideas, methods and innovation are brought in by new employees, while dysfunctional turnover renews stagnation in the organisation.

It is important to note that during periods of weak economy and slow growth, companies embark on cost reductions programmes. One of the first strategies is always the labour cost and the head count, and, during these periods of uncertainty, companies may even downgrade some of their positions and cut training costs. This can affect the level of satisfaction of employees, which might result in employee turnover.
2.3.4 Organisational justice and turnover intention

According to De Gieter, De Cooman, Hofmans, Peppermans and Jegers (2012), organisational justice can be divided into three dimensions:

- Distributive justice indicates whether an employee considers the outcomes (pay, promotion, bonus) he/she receives from the organisation as being appropriate or fair considering the delivered contribution and inputs;
- Procedural justice focuses on the fairness of the decision-making process and procedures used by management; and
- Interactional justice represents the fairness of the interpersonal treatment of an employee by his or her supervisor.

De Gieter et al. (2012), in their studies, assert that perceptions of unfairness can trigger unfavourable attitudes and counterproductive behaviours towards the company. It is important to note that these unfair evaluated outcomes can result in employees seeking employment in other organisations. One of the serious consequences of employees being treated unfairly is that employee turnover increases.

2.4 EMPLOYEE RETENTION

2.4.1 Defining employee retention

Al-EMadi, Schwabenland and Wei (2015) define employee retention as initiatives taken by management to keep employees from leaving the organisation. These initiatives can be rewarding employees for performing their job effectively, ensuring harmonious working relationships and maintaining a safe and healthy work environment. Employee retention also can be defined as a voluntary process by any organisation to avail an environment that encourages and motivates employees to remain with the organisation for a longer period (Al-EMadi et al., 2015; James & Matthew, 2012).
2.4.2 Employee retention factors

Retention factors are the organisational practices that are implemented and influence the retention or departure of employees and the decision to leave or stay (Coetzee, Oosthuizen & Stoltz, 2016). There are six identified factors critical to the retention of employees within the South African context (Coetzee et al., 2016):

- Compensation: Competitiveness of salary package, value of benefits and organisational remuneration practices;
- Job characteristics: Independence and freedom, task variety, use of personal initiative and use of complex or high-level skills;
- Training and development opportunities: Job-specific training, product and solution training, opportunity for professional growth and development, workplace application of learning;
- Supervisor support: Positive feedback on performance, praise and recognition, reward and acknowledgement of work done well;
- Career opportunities: Advancement and individual career development within the organisation; and
- Work-life balance: Perception of harmony or conflict between the work and life domain.

2.4.3 Importance of employee retention

Al-EMadi et al. (2015) noted in their literature review that turnover can be costly in that the costs of hiring and finding new replacements for employees who have left the organisation are high. The costs associated with recruiting, selecting and training new employees often exceed 100% of the annual salary of the position being filled. Furthermore, the direct costs, work disruptions and losses of organisational memory and seasoned mentors are significant issues associated with turnover that underscore the importance of employee retention. The loss of a talented workforce has resulted in organisations identifying and implementing HR practices that will support employee retention.

Employee retention is critical to improved organisational performance and this can lead to satisfied employees, leading to satisfied customers, leading to an improved bottom line (Mandhanya, 2015). Employee retention is important because the longer the employee stays with the organisation, the more knowledge is gained and this can be disseminated to other employees.
Retaining the best employees would result in the achievement of organisational objectives, satisfied customers and effective succession planning. Furthermore, it might also result in improved investor confidence (Mandhanya, 2015).

Kellher (2017) mentions that companies need to focus their retention strategies on the following:

- Create line-of-sight, describing where the company is going, how they are going to get there, and what role employees play in helping the company to get there.
- Train the first-line managers on creating an engaged culture with their employees.
- Create a robust communication culture built on transparency, honesty and consistency.
- Drive high performance because “A” players want to work with “A” players.
- Foster a culture of recognition.

2.4.4 Theories of employee retention

2.4.4.1 Human capital theory

The theory proposes that employees will resist changing jobs if the discounted stream of benefits does not surpass monetary and psychological costs and also that the explicit and inherent advantages associated with staying or retaining a job will be reduced if an employee is unhappy in the current job, if the immediate cost of leaving is low, if the utility from the new job is great, or if the new job offers a comparable package (Al-EMadi et al., 2015)

2.4.4.2 Price-Mueller causal model of turnover

According to Price (2001), this model is useful in retention and turnover due to its basic assumptions that:

- Increased job opportunity produces more turnover;
- Kinship obligations produce fewer turnover intentions;
- Job involvement positively impacts satisfaction and therefore reduces turnover; and
- Job stress reduces turnover by its negative impact on job satisfaction.
2.4.5 Challenges to employee retention

Al-Emadi, Schwabenland and Wei (2015) assert that a lack in effective HR practices is to blame for the challenges that are facing organisations in retaining their skilled employees. Ineffective HR practices can result in poor employee retention, high costs of recruitment and selection, productivity loss associated with the integration phase, costs related to training new staff, poor customer relationships and other hidden costs that are related to production (Al-EMadi et al., 2015; Chew & Chan, 2008). It is important to note that the retention of key employees during tough economic conditions can be difficult because organisations have to restructure in order to be profitable. This can have a huge impact on organisations’ efforts in retaining key employees.

According Al-Madi et al. (2015), research has indicated that there are many challenges facing organisations regarding employee retention, and some of these challenges are a lack of skilled and professional employees, incapacity to shift from general retention programmes to more specific targeted initiatives, meeting the needs of the new coming workforce, workforce diversity, a changing economy and competition resulting from globalisation.

2.4.6 Remuneration, job satisfaction and turnover intentions

According to Wang et al. (2016) a correlation exists between the job satisfaction component interacting and influencing turnover through turnover intentions. Wang et al. (2010), in their studies, also found that pay satisfaction has a significant influence on turnover intention. This indicates that those employees who have high levels of pay satisfaction have less intention to leave and that high financial pay satisfaction fulfilment can result in the reduction of intent to leave.

De Gieter et al. (2012) indicate that research suggests that rewards themselves do not influence employee turnover directly, but through pay satisfaction and turnover intentions. They further mention that when employees doubt the fairness with regard to the pay they receive from the employer, the expectation is to be dissatisfied with pay and consequently strong feelings develop whereby employees leave the organisation.
Treuren and Frankish, (2014) mention that their findings suggest that a better understanding of the rules and processes that determine the size of employees’ pay can lead to increased pay satisfaction. This can lead to improved employee outcomes and also improve the satisfaction and the retention of employees. Singh and Loncar (2010), in a similar study with nurses, found that both pay satisfaction and job satisfaction influence turnover among nurses. They further found that all four dimensions of pay satisfaction are important factors influencing turnover.

Huang and Su (2016), in their study, found that there is a strong negative relationship between job satisfaction and turnover intention. They further state that this is in accordance with previous studies that have been conducted. Yang, Miao, Zhu, Sun and Wu (2008), in their study of the Chinese army, found that an increase in the pay of the army officers resulted in higher job satisfaction.

2.5 CHAPTER SUMMARY

Chapter 2 provided an overview of previous research and studies conducted with regard to pay satisfaction, job satisfaction and turnover intentions. Theories were investigated that are based on pay satisfaction, job satisfaction and turnover intention.
CHAPTER 3

FINDINGS AND RESULTS

INTRODUCTION

In the previous chapter, the empirical study was outlined. In this chapter, the findings and results, based on the empirical study, will be discussed. The focus will be on descriptive analysis, Pearson product-moment correlation analysis, factor analysis and multi-regression analysis. The sample population of 65 was used in this study.

3.1 DEMOGRAPHICS

Table 1: Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid percent</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>1</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>26-30</td>
<td>5</td>
<td>7.7</td>
<td>7.7</td>
<td>9.2</td>
</tr>
<tr>
<td>31-40</td>
<td>32</td>
<td>49.2</td>
<td>49.2</td>
<td>58.5</td>
</tr>
<tr>
<td>41-50</td>
<td>22</td>
<td>33.8</td>
<td>33.8</td>
<td>92.3</td>
</tr>
<tr>
<td>51-65</td>
<td>5</td>
<td>7.7</td>
<td>7.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

From the table above, it can be seen that 49.2% of the participants in the research are between the age of 31 and 40. It is furthermore also evident that 33.8% of the participants are between the ages of 41 and 50. From the exposition above, it is also evident that there are two groups of ranges from 26 to 30 and 51 to 65, which represent 7.7% of the sample.
Figure 6: Percentage distribution per age group

Table 2: Race

<table>
<thead>
<tr>
<th>Race</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid percent</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>White</td>
<td>15</td>
<td>23.1</td>
<td>23.4</td>
</tr>
<tr>
<td></td>
<td>African</td>
<td>43</td>
<td>66.2</td>
<td>90.6</td>
</tr>
<tr>
<td></td>
<td>Coloured</td>
<td>2</td>
<td>3.1</td>
<td>93.8</td>
</tr>
<tr>
<td></td>
<td>Indian</td>
<td>4</td>
<td>6.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>64</td>
<td>98.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Missing</td>
<td>System</td>
<td>1</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>65</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

It is evident from Table 2 above that 67.2% of the research participants are Africans and 23.4% are whites. It can also be noted that 6.3% of the research participants are Indians and 3.1% are coloureds. The table above also shows that one participant did not complete the race option on the survey.
Table 3: Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid percent</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Male</td>
<td>30</td>
<td>46.2</td>
<td>48.4</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>32</td>
<td>49.2</td>
<td>51.6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>62</td>
<td>95.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Missing</td>
<td>System</td>
<td>3</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>65</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 3 shows that 51.6% of the research participants are females and 48.4% are males.
Table 4 shows that 38.5% of research participants have postgraduate degrees, which indicates that most of the participants who completed the survey have higher qualifications. Furthermore, it can be seen that 24.6% of the participants have degrees and that 23.1% of the participants have diplomas. It is also evident from the table that there are a small number of participants who do not have grade 12, which accounts for 1.5% of the research participants.
It is evident from Table 5 above that most of the research participants are married, and account for 75% of the total population. Also noteworthy is that 20.3% of the research participants are single. The table also shows that 3.1% of the research participants are divorced, and 1.6% are widowed. It should be noted that one participant did complete the option, even though it was available.
The figure shows that most of the research participants are married, i.e. 48 out of 65 employees who completed the survey. Furthermore, 13 of the research participants are single, two are divorced and one is widowed.

Table 6: Years of service

<table>
<thead>
<tr>
<th>Years of service</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid percent</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-5</td>
<td>11</td>
<td>16.9</td>
<td>17.2</td>
<td>17.2</td>
</tr>
<tr>
<td>6-10</td>
<td>13</td>
<td>20.0</td>
<td>20.3</td>
<td>37.5</td>
</tr>
<tr>
<td>11-20</td>
<td>31</td>
<td>47.7</td>
<td>48.4</td>
<td>85.9</td>
</tr>
<tr>
<td>21-30</td>
<td>5</td>
<td>7.7</td>
<td>7.8</td>
<td>93.8</td>
</tr>
<tr>
<td>31-40</td>
<td>4</td>
<td>6.2</td>
<td>6.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>98.5</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>1</td>
<td>1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It can be seen from Table 6 above that 48.4% of the research participants have years of service between 11 and 20 years, which includes most of the employees in the survey. Also to note is that 20.3% of the research participants have six to 10 years of service in the company. It is evident as well that 17.2% of the research population has zero to five years of service in the company.
Figure 10: Percentage distribution of employees' years of service
Table 7: Role category

<table>
<thead>
<tr>
<th>Role category</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid percent</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process implementation</td>
<td>9</td>
<td>13.8</td>
<td>14.5</td>
<td>14.5</td>
</tr>
<tr>
<td>Process optimisation</td>
<td>17</td>
<td>26.2</td>
<td>27.4</td>
<td>41.9</td>
</tr>
<tr>
<td>Execution</td>
<td>15</td>
<td>23.1</td>
<td>24.2</td>
<td>66.1</td>
</tr>
<tr>
<td>Optimisation</td>
<td>9</td>
<td>13.8</td>
<td>14.5</td>
<td>80.6</td>
</tr>
<tr>
<td>Specialisation</td>
<td>7</td>
<td>10.8</td>
<td>11.3</td>
<td>91.9</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>7.7</td>
<td>8.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>95.4</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>3</td>
<td>4.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the table above, it can be seen that 27.4% of the research participants are at the process optimisation role category and 24.2% of the participants are at execution. Both process implementation and optimisation role categories have a 14.5% of research participants completing the survey. Also to be noted is that 8.1% of the research participants have not specified the role category.

![Role category](image)

**Figure 11: Percentage distribution of role categories**

Table 8: Organisation level
From the table above, it is evident that most the research participants are employees (53.4%). Also to be noted is that 32.8% of the research participants are at middle management and 12.7% of research participants are supervisors. There is also a small percentage (1.7%) of top management.

<table>
<thead>
<tr>
<th>Organisational level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid percent</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top management</td>
<td>1</td>
<td>1.5</td>
<td>1.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Middle management</td>
<td>19</td>
<td>29.2</td>
<td>32.8</td>
<td>34.5</td>
</tr>
<tr>
<td>Supervisor</td>
<td>7</td>
<td>10.8</td>
<td>12.1</td>
<td>46.6</td>
</tr>
<tr>
<td>Employee</td>
<td>31</td>
<td>47.7</td>
<td>53.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>58</td>
<td>89.2</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>7</td>
<td>10.8</td>
<td></td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 12: Percentage distribution of organisational level
The table above shows that 46.2% of research participants are in HR and it can also be seen that 12.3% of research participants are in maintenance and supply chain, respectively.

![Functional area](image)

**Figure 13: Percentage distribution by functional area**
Table 10: Percentage distribution for responses on pay satisfaction

<table>
<thead>
<tr>
<th>Pay satisfaction</th>
<th>Very dissatisfied</th>
<th>Dissatisfied</th>
<th>Neutral</th>
<th>Satisfied</th>
<th>Very satisfied</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>On my present job, this is how I feel about</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My take-home pay</td>
<td>7.80%</td>
<td>39.10%</td>
<td>26.60%</td>
<td>21.90%</td>
<td>4.70%</td>
<td>2.77</td>
<td>1.035</td>
</tr>
<tr>
<td>My benefit package</td>
<td>9.50%</td>
<td>20.60%</td>
<td>36.50%</td>
<td>30.20%</td>
<td>3.20%</td>
<td>2.97</td>
<td>1.015</td>
</tr>
<tr>
<td>My most recent raise</td>
<td>6.20%</td>
<td>40.00%</td>
<td>35.40%</td>
<td>16.90%</td>
<td>1.50%</td>
<td>2.68</td>
<td>0.886</td>
</tr>
<tr>
<td>Influence my supervisor has on my pay</td>
<td>10.90%</td>
<td>26.60%</td>
<td>50.00%</td>
<td>10.90%</td>
<td>1.60%</td>
<td>2.66</td>
<td>0.877</td>
</tr>
<tr>
<td>My current pay</td>
<td>9.50%</td>
<td>38.10%</td>
<td>30.20%</td>
<td>22.00%</td>
<td>0.00%</td>
<td>2.65</td>
<td>0.936</td>
</tr>
<tr>
<td>Amount the company pays towards my benefits</td>
<td>4.60%</td>
<td>16.90%</td>
<td>40.00%</td>
<td>35.40%</td>
<td>3.10%</td>
<td>3.15</td>
<td>0.905</td>
</tr>
<tr>
<td>The raises I have typically received in the past</td>
<td>10.80%</td>
<td>35.40%</td>
<td>26.20%</td>
<td>24.60%</td>
<td>3.10%</td>
<td>2.74</td>
<td>1.05</td>
</tr>
<tr>
<td>The company's pay structure</td>
<td>15.40%</td>
<td>30.80%</td>
<td>32.30%</td>
<td>21.50%</td>
<td>0.00%</td>
<td>2.6</td>
<td>0.997</td>
</tr>
<tr>
<td>Information the company gives about pay issues of concern to me</td>
<td>13.80%</td>
<td>38.50%</td>
<td>32.30%</td>
<td>13.80%</td>
<td>1.50%</td>
<td>2.51</td>
<td>0.954</td>
</tr>
<tr>
<td>My overall level of pay</td>
<td>12.30%</td>
<td>33.80%</td>
<td>30.80%</td>
<td>21.50%</td>
<td>1.50%</td>
<td>2.66</td>
<td>1.004</td>
</tr>
<tr>
<td>The value of my benefits</td>
<td>6.20%</td>
<td>21.50%</td>
<td>41.50%</td>
<td>26.20%</td>
<td>4.60%</td>
<td>3.02</td>
<td>0.96</td>
</tr>
<tr>
<td>Pay of other jobs in the company</td>
<td>1.50%</td>
<td>13.80%</td>
<td>69.20%</td>
<td>15.40%</td>
<td>0.00%</td>
<td>2.98</td>
<td>0.599</td>
</tr>
<tr>
<td>Consistency of the company's pay policies</td>
<td>17.20%</td>
<td>29.20%</td>
<td>32.80%</td>
<td>20.30%</td>
<td>0.00%</td>
<td>2.56</td>
<td>1.006</td>
</tr>
<tr>
<td>The number of benefits I receive</td>
<td>7.80%</td>
<td>23.40%</td>
<td>34.40%</td>
<td>28.10%</td>
<td>6.30%</td>
<td>3.02</td>
<td>1.046</td>
</tr>
<tr>
<td>The size of my current salary</td>
<td>14.10%</td>
<td>37.50%</td>
<td>29.70%</td>
<td>17.20%</td>
<td>1.60%</td>
<td>2.55</td>
<td>0.991</td>
</tr>
<tr>
<td>How my raises are determined</td>
<td>13.80%</td>
<td>44.60%</td>
<td>27.70%</td>
<td>10.80%</td>
<td>3.10%</td>
<td>2.45</td>
<td>0.969</td>
</tr>
<tr>
<td>Differences in pay among jobs in the company</td>
<td>26.20%</td>
<td>38.50%</td>
<td>26.20%</td>
<td>9.20%</td>
<td>0.00%</td>
<td>2.18</td>
<td>0.934</td>
</tr>
<tr>
<td>How the company administers pay</td>
<td>9.20%</td>
<td>21.50%</td>
<td>27.70%</td>
<td>33.80%</td>
<td>7.70%</td>
<td>3.09</td>
<td>1.114</td>
</tr>
<tr>
<td>Mean</td>
<td>2.7331</td>
<td>SD</td>
<td>0.65958</td>
<td>Reliability</td>
<td>0.938</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 10: Percentage distribution for responses on pay satisfaction

From Table 10 above, it is evident that employees are satisfied with the amounts that are paid into their benefits due to a high mean of 3.15. Also important to note is that employees are satisfied with the way in which the company administers pay (3.09). It is evident as well that the dissatisfaction is most in the difference of pay among the jobs in the company.
On my present job, this is how I feel about

<table>
<thead>
<tr>
<th>Job satisfaction</th>
<th>Very dissatisfied</th>
<th>Dissatisfied</th>
<th>Neutral</th>
<th>Satisfied</th>
<th>Very satisfied</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being able to keep busy all the time</td>
<td>0.00%</td>
<td>4.70%</td>
<td>21.90%</td>
<td>62.50%</td>
<td>10.90%</td>
<td>3.80</td>
<td>0.6940</td>
</tr>
<tr>
<td>The chance to work alone on the job</td>
<td>0.00%</td>
<td>1.50%</td>
<td>32.30%</td>
<td>46.20%</td>
<td>20.00%</td>
<td>3.85</td>
<td>0.7550</td>
</tr>
<tr>
<td>The chance to do different things from time to time</td>
<td>1.60%</td>
<td>14.10%</td>
<td>23.40%</td>
<td>42.20%</td>
<td>18.80%</td>
<td>3.63</td>
<td>1.0000</td>
</tr>
<tr>
<td>The chance to be somebody in the community</td>
<td>1.50%</td>
<td>12.30%</td>
<td>38.50%</td>
<td>40.00%</td>
<td>7.70%</td>
<td>3.40</td>
<td>0.8620</td>
</tr>
<tr>
<td>The way my boss handles his employees</td>
<td>1.50%</td>
<td>24.60%</td>
<td>33.80%</td>
<td>32.30%</td>
<td>7.70%</td>
<td>3.20</td>
<td>0.9550</td>
</tr>
<tr>
<td>The competence of my supervisor in making decisions</td>
<td>3.10%</td>
<td>26.20%</td>
<td>26.20%</td>
<td>38.50%</td>
<td>6.20%</td>
<td>3.18</td>
<td>0.9980</td>
</tr>
<tr>
<td>Being able to do things that go against my conscience</td>
<td>1.60%</td>
<td>24.20%</td>
<td>51.60%</td>
<td>19.40%</td>
<td>3.20%</td>
<td>2.98</td>
<td>0.7990</td>
</tr>
<tr>
<td>The chance to do things for other people</td>
<td>1.60%</td>
<td>9.40%</td>
<td>29.70%</td>
<td>50.00%</td>
<td>9.40%</td>
<td>3.56</td>
<td>0.8520</td>
</tr>
<tr>
<td>The chance to tell people what to do</td>
<td>3.10%</td>
<td>9.20%</td>
<td>32.30%</td>
<td>27.70%</td>
<td>7.70%</td>
<td>3.28</td>
<td>0.8570</td>
</tr>
<tr>
<td>The chance to do something that makes use of my abilities</td>
<td>4.70%</td>
<td>14.10%</td>
<td>28.10%</td>
<td>35.90%</td>
<td>17.20%</td>
<td>3.47</td>
<td>1.0830</td>
</tr>
<tr>
<td>The way company policies are put into practice</td>
<td>7.70%</td>
<td>33.80%</td>
<td>36.90%</td>
<td>20.00%</td>
<td>1.50%</td>
<td>2.74</td>
<td>0.9230</td>
</tr>
<tr>
<td>My pay and the amount of work I do</td>
<td>21.50%</td>
<td>36.90%</td>
<td>21.50%</td>
<td>16.90%</td>
<td>3.10%</td>
<td>2.43</td>
<td>1.1040</td>
</tr>
<tr>
<td>The chances for advancement on this job</td>
<td>35.90%</td>
<td>29.70%</td>
<td>20.30%</td>
<td>10.90%</td>
<td>3.10%</td>
<td>2.16</td>
<td>1.1300</td>
</tr>
<tr>
<td>The freedom to use my own judgement</td>
<td>9.40%</td>
<td>23.40%</td>
<td>26.60%</td>
<td>32.80%</td>
<td>7.80%</td>
<td>3.06</td>
<td>1.1250</td>
</tr>
<tr>
<td>The chance to try my own methods of doing the job</td>
<td>6.20%</td>
<td>21.50%</td>
<td>21.50%</td>
<td>38.50%</td>
<td>12.30%</td>
<td>3.29</td>
<td>1.1280</td>
</tr>
<tr>
<td>The working conditions</td>
<td>4.70%</td>
<td>12.50%</td>
<td>25.00%</td>
<td>50.00%</td>
<td>7.80%</td>
<td>3.44</td>
<td>0.9740</td>
</tr>
<tr>
<td>The way my co-workers get along with each other</td>
<td>1.50%</td>
<td>9.20%</td>
<td>32.30%</td>
<td>46.20%</td>
<td>10.80%</td>
<td>3.55</td>
<td>0.8670</td>
</tr>
<tr>
<td>The praise I get for doing a good job</td>
<td>7.70%</td>
<td>15.40%</td>
<td>33.80%</td>
<td>33.80%</td>
<td>9.20%</td>
<td>3.22</td>
<td>1.0680</td>
</tr>
<tr>
<td>The feeling of accomplishment I get from the job</td>
<td>4.60%</td>
<td>12.30%</td>
<td>29.20%</td>
<td>43.10%</td>
<td>10.80%</td>
<td>3.43</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

Mean 3.2585  SD 0.5654  Reliability 0.882

Table 11: Percentage distribution of responses for job satisfaction

The findings above provide evidence that employees are very satisfied with their jobs as the company provides steady employment (5.53). Furthermore, there is great independence to do
work alone (3.85) and to keep busy at all times (3.80). The mean scores of these responses are high and indicate that employees are satisfied with their jobs. It is also important to point out that even though the employees feel satisfied with their jobs, some of the responses that relate to advancement in the company seem low with a mean score of 2.16.

<table>
<thead>
<tr>
<th>Intention to quit</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>These days I often feel like quitting</td>
<td>7.80%</td>
<td>31.30%</td>
<td>18.80%</td>
<td>29.70%</td>
<td>12.50%</td>
<td>3.08</td>
<td>1.199</td>
</tr>
<tr>
<td>Despite the obligation I have made to this organisation I want to quit my job as soon as possible</td>
<td>7.80%</td>
<td>42.20%</td>
<td>23.40%</td>
<td>14.10%</td>
<td>12.50%</td>
<td>2.81</td>
<td>1.167</td>
</tr>
<tr>
<td>At this moment I would like to stay with the organisation as long as possible</td>
<td>7.80%</td>
<td>29.70%</td>
<td>31.30%</td>
<td>26.60%</td>
<td>4.70%</td>
<td>2.91</td>
<td>1.035</td>
</tr>
<tr>
<td>If I could, I would quit today</td>
<td>9.40%</td>
<td>40.60%</td>
<td>21.90%</td>
<td>14.10%</td>
<td>14.10%</td>
<td>2.83</td>
<td>1.22</td>
</tr>
<tr>
<td>I plan to work here until I retire</td>
<td>20.30%</td>
<td>31.30%</td>
<td>25.00%</td>
<td>18.80%</td>
<td>4.70%</td>
<td>2.56</td>
<td>1.15</td>
</tr>
<tr>
<td>I often think about quitting</td>
<td>4.80%</td>
<td>27.00%</td>
<td>22.20%</td>
<td>38.10%</td>
<td>7.90%</td>
<td>3.17</td>
<td>1.07</td>
</tr>
<tr>
<td>I am looking for an opportunity to find a job in another organisation</td>
<td>1.60%</td>
<td>25.00%</td>
<td>26.60%</td>
<td>21.90%</td>
<td>25.00%</td>
<td>3.44</td>
<td>1.17</td>
</tr>
<tr>
<td>I would leave this organisation if I were offered the same job in another organisation</td>
<td>3.10%</td>
<td>20.30%</td>
<td>28.10%</td>
<td>28.10%</td>
<td>20.30%</td>
<td>3.42</td>
<td>1.12</td>
</tr>
<tr>
<td>I am actively searching for another job</td>
<td>7.80%</td>
<td>39.10%</td>
<td>15.60%</td>
<td>15.60%</td>
<td>21.90%</td>
<td>3.05</td>
<td>1.33</td>
</tr>
<tr>
<td>The next few years I intend to stay with this organisation</td>
<td>6.30%</td>
<td>29.70%</td>
<td>34.40%</td>
<td>25.00%</td>
<td>4.70%</td>
<td>2.92</td>
<td>1.00</td>
</tr>
<tr>
<td>In the past three months I have applied for a job in another organisation</td>
<td>12.70%</td>
<td>38.10%</td>
<td>1.60%</td>
<td>22.20%</td>
<td>25.40%</td>
<td>3.10</td>
<td>1.47</td>
</tr>
</tbody>
</table>

Table 12: Percentage distribution of response for turnover intention

From the table above, it can be deduced that employees in the company are mostly uncertain whether they would look for opportunities in other companies (3.44) and being susceptible to accept offers for the same salary (3.42). It is also evident that employees are not quite in a hurry to quit as soon as possible (2.81).
3.2 DESCRIPTIVE ANALYSIS

Table 13: Descriptive statistics of the measuring instruments

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay_Satisfaction</td>
<td>65</td>
<td>1.28</td>
<td>4.33</td>
<td>2.7331</td>
<td>0.65958</td>
</tr>
<tr>
<td>Job_Satisfaction</td>
<td>65</td>
<td>1.89</td>
<td>4.45</td>
<td>3.2585</td>
<td>0.56549</td>
</tr>
<tr>
<td>Intention_Quit</td>
<td>64</td>
<td>1.00</td>
<td>5.00</td>
<td>3.1368</td>
<td>0.91412</td>
</tr>
</tbody>
</table>

Table above shows mean and standard deviations that were determined in this study. The overall mean for pay satisfaction is 2.7331, which indicates that employees in this company are not very satisfied and mostly uncertain with regard to their remuneration. The overall mean for job satisfaction is 3.2585, which indicates that employees are just satisfied with their job. Furthermore, the overall mean for intention to quit also indicates that employees are mostly uncertain as to whether they would leave the organisation.

3.3 RELIABILITY

Table 14: Reliability of measuring batteries

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay_Satisfaction</td>
<td>0.938</td>
</tr>
<tr>
<td>Job_Satisfaction</td>
<td>0.882</td>
</tr>
<tr>
<td>Intention_Quit</td>
<td>0.932</td>
</tr>
</tbody>
</table>

The reliability coefficient of pay satisfaction on the pay satisfaction questionnaire was determined at 0.93. These findings indicate that the results from the questionnaires are reliable. The findings also indicated that the Minnesota job satisfaction questionnaire had a Cronbach alpha of 0.882, which also indicates that the results from this questionnaire are reliable. A Cronbach alpha of 0.932 for the turnover intention scale was determined, which indicates that the results from the questionnaire are reliable.

3.4 CORRELATION ANALYSIS

Pearson’s product-moment correlations (r) are determined to provide an indication of the strength of the linear relationship between variables (Cohen, 1988). In this section, the focus will be on both the basic and specific hypotheses of this study.
3.4.1 Relationship between pay satisfaction and job satisfaction

Table 15: Relationship between pay satisfaction and job satisfaction

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

* Correlation is practically significant: r >0.30 (medium effect)

** Correlation is practically significant: r > 0.50 (large effect)

+Correlation is statistically significant: p < 0.50

According to Table 15, there is a practically significant correlation of medium effect (0.320) between pay satisfaction and job satisfaction. This informs us that there is the likelihood that an increase in employees' pay satisfaction will increase job satisfaction.

The results from Table 15 indicate that there is a practical correlation between remuneration and job satisfaction. The first hypothesis states that there is no significant relationship correlation between remuneration and job satisfaction. From the findings above, it can be concluded that there is a practical correlation with medium effect between remuneration and job satisfaction, and therefore the hypothesis is rejected.

3.4.2 Relationship between pay satisfaction and turnover intention

51
Table 16: Relationship between pay satisfaction and turnover intention

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Pay_Satisfaction</th>
<th>Correlation coefficient</th>
<th>Pay_Satisfaction</th>
<th>Intention Quit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay_Satisfaction</td>
<td>1.000</td>
<td>-.387**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intention Quit</td>
<td>-.387**</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 16 indicates that there is a practically significant correlation of medium effect (-0.387), which is negative, between pay satisfaction and job satisfaction. The relationship is also statistically significant. Based on the results from the study, it can be deduced that the more employees are satisfied with their pay, the lesser chances exist of them having intentions to quit the company.

The second hypothesis states that there is no significant correlation between remuneration and turnover intention. With the findings from the table above, it can be concluded that there is a practical correlation with negative medium effect between remuneration and turnover intention, and therefore the hypothesis is rejected.

3.4.3 Relationship between job satisfaction and turnover intention

Table 17: Relationship between job satisfaction and turnover intention

<table>
<thead>
<tr>
<th>Spearman’s rho</th>
<th>Job_Satisfaction</th>
<th>Correlation coefficient</th>
<th>Job_Satisfaction</th>
<th>Intention Quit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job_Satisfaction</td>
<td>1.000</td>
<td>-.547**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intention Quit</td>
<td>-.547**</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A practical correlation relationship between job satisfaction and intention to quit was found to be of a large effect of -0.547, which is a negative effect. This indicates that employees in this petrochemical company are more satisfied with their jobs and that there are no intentions from these employees to leave the company. There was also an indication of statistical correlation between job satisfaction and intention to quit.

**Table 18: Relationship between pay satisfaction, job satisfaction and turnover intention**

<table>
<thead>
<tr>
<th></th>
<th>Pay Satisfaction</th>
<th>Job Satisfaction</th>
<th>Intention Quit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Spearman's rho</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pay_Satisfaction</strong></td>
<td>Correlation coefficient</td>
<td>1.000</td>
<td>.320**</td>
</tr>
<tr>
<td><strong>Job_Satisfaction</strong></td>
<td>Correlation coefficient</td>
<td>.320**</td>
<td>1.000</td>
</tr>
<tr>
<td><strong>Intention.Quit</strong></td>
<td>Correlation coefficient</td>
<td>-.387**</td>
<td>-.547**</td>
</tr>
</tbody>
</table>

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

It is evident from Table 18 above that there are significance relationships between remuneration, job satisfaction and turnover intention. The findings also indicate that employees are satisfied with their remuneration and their jobs. It should also be noted, from the findings, that employees’ intentions to leave the company are low due to satisfaction with remuneration.

Therefore, the third hypothesis, which states that there is no significant correlation between remuneration, job satisfaction and turnover intention, is rejected based on the findings.

**3.5 REGRESSION ANALYSIS**

Regression analysis was computed in order to provide an answer to the fourth hypothesis, which states that remuneration does predict job satisfaction and turnover intention.
Table 19: Regression analysis of pay satisfaction and job satisfaction

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>0.347</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-square</td>
<td>0.121</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R-square</td>
<td>0.107</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Std. error of the estimate</td>
<td>0.534</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Variables in the equation

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>B</th>
<th>Standard error of B</th>
<th>t-value</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>2.445</td>
<td>0.285</td>
<td>8.588</td>
<td>0.000</td>
</tr>
<tr>
<td>Pay satisfaction</td>
<td>0.298</td>
<td>0.101</td>
<td>2.939</td>
<td>0.005</td>
</tr>
</tbody>
</table>

Correlations

<table>
<thead>
<tr>
<th></th>
<th>Job_Satisfaction</th>
<th>Pay_Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson's correlation</td>
<td>Job_Satisfaction</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Pay_Satisfaction</td>
<td>0.347</td>
</tr>
</tbody>
</table>

The table above indicates that 12.1% of the variance in job satisfaction is explained by pay satisfaction. It can also be seen from the findings that there is a practically significant correlation of medium effect (0.347). This confirms that employees who are remunerated well will experience job satisfaction. Furthermore, the findings point out to the fact that 12.1% of pay satisfaction of variance in job satisfaction is predicted.
Table 20: Regression analysis of pay satisfaction and turnover intention

<table>
<thead>
<tr>
<th>R</th>
<th>0.404</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-square</td>
<td>0.163</td>
</tr>
<tr>
<td>Adjusted R-square</td>
<td>0.150</td>
</tr>
<tr>
<td>P</td>
<td>0.001</td>
</tr>
<tr>
<td>Std. error of the estimate</td>
<td>0.843</td>
</tr>
</tbody>
</table>

Variables in the equation

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>B</th>
<th>Standard error of B</th>
<th>t-value</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>4.658</td>
<td>0.450</td>
<td>10.348</td>
<td>0.000</td>
</tr>
<tr>
<td>Pay satisfaction</td>
<td>-0.556</td>
<td>0.160</td>
<td>-3.776</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Correlations

<table>
<thead>
<tr>
<th>Pearson’s correlation</th>
<th>Intention_Qui</th>
<th>Pay_Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intention_Qui</td>
<td>1</td>
<td>-0.404</td>
</tr>
<tr>
<td>Pay_Satisfaction</td>
<td>-0.404</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 20 above shows that a total of 16.3% variance of turnover intention is explained by pay satisfaction. The negative correlation of -0.404 indicates that there is practical significance with medium effect. Therefore, the findings show that pay satisfaction predicts approximately 16.3% of variance in turnover intention.

In accordance with hypothesis 4, this states that remuneration can predict job satisfaction and turnover intention. It is evident from the findings that remuneration does actually predict job satisfaction and turnover intention, and therefore the hypothesis is accepted.
4. CHAPTER SUMMARY

In Chapter 3, the interpretation of data that was collected from the research participants was done. Various formulae and graphs were used to interpret the data. Demographics, correlation analysis, descriptive analysis and regression analysis were determined. From all the analyses that were conducted, it was evident that the more employees are satisfied with their remuneration, the more likely that they will stay with the company.
CHAPTER 4

CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

INTRODUCTION

In this chapter, the synopsis of the study will be presented. The limitations of the study will be presented, as well as recommendations to assist the organisation in order to further improve pay satisfaction.

4.1 SYNOPIS

In Chapter 1, the problem statement was covered and the research objectives were outlined as well as the research methodology that was followed in this study. Furthermore, the research design and approach were discussed and the measuring instruments used were detailed.

In Chapter 2, the literature review was conducted and the conceptualisations of pay satisfaction, job satisfaction and turnover intention constructs were discussed and the framework provided.

In Chapter 3, the empirical methods were followed and covered. The demographics were provided. The interpretation of data was conducted using the statistical analysis results. Hypotheses and statements were also tested and the findings were provided. Employees at this petrochemical company were reported to experience high levels of pay satisfaction. Also reported in the study was that employees in this company were not considering quitting the company. It was concluded that remuneration can predict job satisfaction and turnover intention.

4.2 LIMITATION OF THE RESEARCH

The researcher found the following limitations to the study:

- Literature on pay satisfaction in the petrochemical industry is limited.
- Access to research participants was also restrictive due to the nature of the research.
The methods used for data collection primarily focused on questionnaires, and interviews could have made more impact in the study.

The number of participants was not representative of the entire organisation as the study was confined in one operation.

4.3 RECOMMENDATIONS

The results of this study highlighted the following recommendations for future research:

4.3.1 Recommendations for future research

- This study needs to be conducted in different sites in order to determine whether the same results could be obtained.
- Further research should also be conducted with a bigger pool of research participants.
- Further studies should also consider the sub-scales for job satisfaction, as this might provide further information on retaining employees.

4.3.2 Recommendations to management and the organisation

- The business strategy must influence the formulation of the remuneration strategy.
- Management must continually improve the remuneration strategy in order to retain their employees.
- To allow further research to be conducted in the organisation to ensure job satisfaction and that employees are retained.
- The results of this study can be used in order to integrate the findings into the people strategy.
- To explore other avenues of improvement in the remuneration of employees.

4.4. CHAPTER SUMMARY

The purpose of this study was to determine the relationship between remuneration, job satisfaction and turnover intention in a petrochemical company. Furthermore, the purpose was also to determine whether remuneration can predict job satisfaction and turnover intention in this
company. It is evident from the findings that there is a relationship between remuneration, job satisfaction and turnover intention. The final point is that remuneration does predict job satisfaction and turnover intention.
5. REFERENCES


