

Factors leading to employee resignation within a professional service organisation

A Lutchman



orcid.org 0000-0001-6538-5878

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Supervisor: Prof CJ Botha

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Student number: 29733529

ABSTRACT

Organisations across the world are finding it difficult to cope with the loss of talent, more especially within professional services organisations. Given the high stature of individuals employed in professional services organisations, employee resignations (or employee turnover) as of recent has become a more burning issue, making it extremely difficult to predict and even harder to circumvent. The impact of employee resignations is a costly exercise to any organisation, as the loss of intellectual knowledge as well as the financial costs are extremely high.

This research study therefore set out to firstly analyse the literature to gain a thorough understanding of the various factors that contribute to an employee's decision to resign, or intention to resign from an organisation. Various literature and hypothesis needed to adequately analyse to formulate a tailored quantitative research questionnaire which could be utilized to obtain critical data regarding factors leading to employee resignations within the evaluated professional services organisation. The formulated quantitative research questionnaire resulted in eight significant constructs that were developed regarding factors that influence an employee's intention to resign from a professional services organisation.

An empirical study was thereafter conducted to explain the research methodology as well as to statistically analyse the data obtained from respondents within the professional services organisation and the results highlighted the key construct's influencing the perception for employee resignations. Further analysis was thereafter computed to determine the significant correlations and effect sizes experienced within the various demographic population regarding the identified constructs.

Conclusions based on these statistical results are then discussed and possible recommendations mentioned by the author in the final chapter of this research study.

Keywords: Employee resignation, organisational leadership, diversity and transformation, individual determinants, structural determinants, organisational factors, resignation intention, direct supervisor.

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CHAPTER 1: NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

Organisations across the world are finding it difficult to cope with the loss of talent, more especially within professional services organisations over recent years. Previously, the value of a company was typically measured according to the numbers achieved on their balance sheet. However, in recent times and more especially within the professional services industry there is a substantial emphasis placed on the importance of human capital (MacLean, 2013).

Given the high stature of individuals employed in professional services organisations, employee resignations (or employee turnover) as of recent has become a burning issue, making it extremely difficult to predict and therefore circumvent. The impact of employee resignations is a costly exercise to any organisation, as the intellectual knowledge and financial costs lost regarding direct as well as indirect costs are extremely high (Hacker, 2003; MacLean, 2013). It is therefore imperative to gain an understanding of how employees decide whether to quit or stay at their jobs and what factors predict who will leave and who will stay, in an attempt to try and circumvent the issue (Klotz & Bolino, 2016).

This study intends to analyse the literature therefore to understand the various factors that contribute to an employee's decision to resign, or intention to resign from an organisation, so that these outcomes can be tested within the professional services organisation being researched. Due to the specialised and unique nature of the professional services organisation under evaluation, previous hypothesis cannot be directly correlated, instead the various literature examined in this study will be tailored to suit the said professional services organisation with input from Senior Human Resources Managers (SHRM) as well as Senior Managers (SM) within the organisation. A quantitative survey instrument will after that be formulated, using questionnaires, and implemented specifically within the organisation to gather pertinent feedback based on the primary and secondary research objectives of this research study.

1.2 BACKGROUND TO THE EVALUATED ORGANISATION

The organisation being evaluated is a professional services organisation comprising three operating hubs:

- Capital Projects (CP),
- Engineering and Project Services (E&PS), and
- Research and Technology (R&T).

These operating hubs support the Company in their overall strategic purpose of being a leading integrated global chemical and energy company, proud of their South African heritage, delivering superior value to their stakeholders.

The organisation currently employs a total of 1385 personnel, with 411 employees belonging to the CP domain, 484 employees to the E&PS domain and the remaining 490 employees belong to the R&T domain. The workforce comprises of a mixture of permanent full day employees, permanent half day employees, non-permanent employees (NPE's) and expatriates which fit into one of eight assigned role categories, starting from "operations" and ending at "group leadership". All personnel currently employed within the organisation are within the 20-65-year-old age bracket. 469 employees within the organisation are female, and the remaining 916 employees are male as of 31 July 2018¹.

1.3 PROBLEM STATEMENT

The problem under investigation in this study is the current resignation rate experienced within the organisation. The latest Human Resources (HR)¹ statistics for financial year 2017/2018 reveals that there is an annual employee resignation rate of 6.9 percent within the organisation. A survey conducted by "Direct Hire recruitment" in South Africa in 2016 for the 5th consecutive year discovered that there is an average staff turnover rate in South Africa between 5-10 percent (Direct, 2016). Thereby, indicating that the organisation is operating within the average band in regard to employee resignations, and in an attempt to become a

¹ Source is not referenced in order to protect the anonymity of the organization.

more recognised professional services organisation, the average is by no means acceptable, therefore highlighting the current problem which requires attention.

1.4 RESEARCH OBJECTIVES

1.4.1 Primary research objective

Considering the problem statement stated in section 1.3, the main research objective for this study is to determine the factors that contribute to employee resignations within a professional services organisation to answer the following question:

- What factors (or construct's) relating to employee resignations are the most significant within the said professional services organisation.

1.4.2 Secondary research objective

The secondary objective of this study is to:

- Establish which demographics (e.g. age, gender, qualification) were most influenced regarding factors that pertain to employee resignations within the said professional services organisation.

1.5 SCOPE OF THE STUDY

This research study will focus on factors leading to employee resignation within a professional services organisation and will consist of the following:

- Conducting a literature review to explore, identify, discuss and integrate theoretical perspectives regarding an employee's intention to resign (or resignation theory).
- Formulate a tailored questionnaire based on the theoretical findings which will be distributed within the professional services organisation being evaluated.
- Conducting empirical research implementing a quantitative approach.
- Statistical analysis of empirical data to provide insight based on the research objectives stated in section 1.4.
- Provide possible recommendations with respect to the findings.

1.6 RESEARCH METHODOLOGY

The following research methodology will be implemented for this research study:

1.6.1 Literature study

The literature study will focus on the following aspects:

- The significance of employee resignations.
- The impact of employee resignations.
- The organisational work climate.
- High performing organisations.
- Responsible Human Resources (HR) practices.
- Corporate social responsibility and informational injustice of organisational leaders.
- Individual determinants.
- Structural determinants.
- Diversity and transformation.

1.6.2 Empirical study

An empirical study will be implemented for this research utilising a quantitative approach. Firstly, a questionnaire will be developed based on the literature study completed in chapter 2 regarding the factors that lead to employee resignations. Secondly, the statistical analysis of the data will after that be carried out to interpret the results.

1.7 LIMITATIONS OF THE RESEARCH STUDY

The study will address the factors that contribute to employee resignations within the organisation only and not consider other business units as part of the Company. That implies that only employees who fall into the CP, E&PS and R&T operating hubs, which are either permanent – full day employees, permanent – half day employees, expatriates, and non-permanent employees (NPE) which form part of the graduate development program (GDP), will be included in the study. Only employees who are employed within the borders of South Africa, were considered for this study. They represent the majority (98 percent) of the

employed personnel. The survey instrument utilised in the study will be a quantitative questionnaire, which will be anonymous, and cross-sectional by design.

1.8 LAYOUT OF THE RESEARCH STUDY

Chapter 1: Nature and scope of the research study

This chapter explains the relevance of the proposed study regarding the problem statement, as well as gives a brief description of the organisation being evaluated. The research objectives, methodology, and limitations are stated.

Chapter 2: Literature Study

This chapter highlights the various literature reviewed regarding factors leading to employee resignations. It also discusses the significance and impact of employee resignations.

Chapter 3: Empirical Study

In this chapter, the research methodology is discussed, and the obtained data based on the quantitative survey instrument is analysed and discussed.

Chapter 4: Conclusions and Recommendations

Based on the empirical study conducted in chapter 3, conclusions are drawn and recommendations are put forth.

CHAPTER 2: LITERATURE STUDY

2.1 INTRODUCTION

There are vast and diverse scientific hypothesis regarding factors pertaining to employee resignations stemming from decades of research (Agho *et al.*, 1993; Zeffane, 1994; Hacker, 2003; Wooldridge, 2006; Charney, 2008; Giles, 2010; Shah *et al.*, 2012; MacLean, 2013; Miles *et al.*, 2014; Patient *et al.*, 2015; Lam *et al.*, 2016; Park & Kim, 2017; Koh, 2018), can the phenomenon of employee resignations really be curbed? The reality of the situation which organisations find themselves in is an ever-evolving paradigm, where to reduce the rate of employee resignations, organisations are expected to find a means of satisfying employees various needs, remaining current, and understanding the underlying circumstantial evidence resulting in the decision for an employee to resign. This study intends to assess previous and current literature resonating with the topic of employee resignations together with the targeted insight of senior HR managers within the said professional services organisation, collaborating the various hypothesis in a tailored manner to effectively arrive at the factors which could lead to employee resignations within the said professional services organisation.

2.2 SIGNIFICANCE OF STUDY

According to Gupta *et al.* (2017) employee resignations is a non-linear, unstructured, complex, and dynamic phenomena in which organisations sacrifice huge amounts of time, money, and effort to retain high performing individuals to ensure the success of their business, however, up and till today researchers have not been able to completely decode the process of employee resignations accurately.

A study conducted by Bhardwaj and Singh (2016) confirmed the following in respect to attrition rates within an organisation; attrition implies the minimisation or diminishing size or strength of an organisation with respect to their human capital, by any means other than directly dismissing an employee. This is a significant aspect in any organisation as the impact of voluntary turnover or resignation has a huge impact on organisations, given that employees form the backbone of professional services organisations. In the current regime,

organisations that are successful in retaining employees survive sustainably, whereas organisations that do not, tend to find themselves battling to exist (Bhardwaj & Singh, 2016).

The most important aspect of any professional services organisation is the people (human capital), and this is a sentiment shared by organisational leadership within the said professional services organisation. MacLean (2013) concurred to this statement in an article “Reducing Employee Turnover in the Big Four Public Accounting Firms” (viz, Deloitte and Touche, Ernest & Young, KPMG, & PricewaterhouseCoopers), where it was stated that “the value of a company is oftentimes measured according to the numbers on the balance sheet; a company has a certain number of assets and a certain number of liabilities. However, in the service industry, there is a substantial emphasis on the importance of human capital. The business slogan is stating that people are our most important assets’ is becoming a bigger focus for recruiting purposes and in the organisational structure of businesses. As new generations of professionals enter the workforce, there seems to be a shift from monetary motivation to an emphasis on the importance of work-life balance. This work-life balance takes into consideration the existence of employee benefits, time-off, and the ability to pursue extraneous interests and hobbies while maintaining a strong relationship with the firm. The primary concern for any business is determining a way to motivate employees to establish a future with the firm and therefore reduce employee turnover”.

A study conducted by Wooldridge (2006) stated that “talent has become the world’s most sought-after commodity”. The statistics at the time in a survey conducted among senior international HR managers concluded that 75 percent believed that “attracting and retaining” talent was the number one objective. A similar testament was echoed by Lwazi *et al.* (2014) in the 2014 stakeholder report conducted for Deloitte and Touche, where it was stated that “we understand that our people are everything. Over the past two years, Deloitte Africa has cemented closer connections with our global office to develop commonly shared metrics. Our objective is to understand better how our Talent & Transformation can measure progress and continue building on our commitment to attract, recruit, develop and ultimately retain the best talent to service clients across Africa”.

The message being portrayed is clear. The most valuable asset in any organisation is its people. Organisational leadership for the said professional services organisation embraces a

similar sentiment in understanding that the human capital make-up of the organisation is key to their success. However the problem experienced is how to motivate and retain employees, given the high quality and stature of personnel employed.

It is therefore imperative to gain an understanding of how employees decide whether to quit or stay at their jobs and what factors predict who will leave and who will stay, in an attempt to try and circumvent the issue (Klotz & Bolino, 2016). Employees resign for various reasons, which is understandable and sometimes unavoidable, and the retention of talent is an ever-evolving paradigm based on the situation organisations find themselves in.

The study of employee resignations has changed slightly over the years, becoming more structured and defined as time progresses based on the latest research. Later research introduces not only factors about employee resignations, but also categories such as structural and individual determinants to which respective factors are form part of.

This study intends to, therefore, analyse the literature to understand the various factors that contribute to an employee's decision to resign or intend to resign from an organisation.

2.3 IMPACT OF EMPLOYEE RESIGNATIONS

According to Vignesh *et al.* (2018), the impact of a well-trained and well-adapted employee leaving an organisation due to resignation creates a space in the organisation making it extremely difficult for Human Resources (HR) personnel to try and fill the void created.

According to Hacker (2003), "Direct costs of turnover include recruitment, selection, induction and training of replacement staff, loss of valuable skills and experience, disruption of work, and customer relations. But there are indirect costs also, some hidden, which can include loss of tacit knowledge or intellectual property to competitors". MacLean (2013) confirms that employee turnover is extremely costly to any business regarding training costs and loss of pertinent knowledge and experience.

According to Charney (2008), the US Department of Labour and Statistics stated that the cost of an employee resigning equates to approximately 33 percent of the employees total compensation, including both salary and benefits. He goes further to state that the impacts are not only financial; it also affects employee morale and bad morale has a domino effect

which negatively impacts productivity within the organisation confirming that no organisation wants to incur the cost of an employee's resigning, be it for financial or non-financial reasons.

2.4 FACTORS CONTRIBUTING TO EMPLOYEE RESIGNATIONS

2.4.1 Organisational work climate

Shanker (2014) stated that organisational work climate is said to be one of the most important factors contributing to an employee's decision to quit or stay with an organisation. In today's competitive business world, every employer wants to have meticulous, hardworking, loyal and committed employees who remain in their organisation for extended periods and it is, therefore, critical to understand what influences employees in choosing whether to stay or leave an organisation. Shanker (2014) further explained that the organisational climate is said to be an employee's perception of the work environment which can motivate the willingness of employees to stay within the organisation.

Giles (2010) added that some of the dimensions to organisational work climate include organisational structure, responsibility, standards, commitment, support, reward, warmth, risk, and conflict. It was also found that organisational work climate was correlated with organisational effectiveness, performance, commitment, productivity, anxiety, and the tendency to leave (Rahimic, 2013).

2.4.2 Categorisation of employees with respect to age

Deloitte and Touche (2012) defined this aspect clearly when they explained that employee resignations are not as clear-cut as previously perceived and the rationale throughout the organisation is different, i.e. there is a direct distinction with respect to the age of employees and their intention to quit which are based on the following categories; "Millennial's (or Generation Y employees of ages 31 and younger), Generation X (ages between 32 and 47) and the Baby Boomers (ages 48 to 65)", this is a crucial measure to take note off, fundamentally because employees of different ages have different opinions, goals, and perceptions which needs to be firstly understood in order to be effectively managed.

2.4.3 Factors pertaining to generation y employees

A study conducted by Aruna and Anitha (2015) stated that organisations face a daunting challenge in the retention of Generation Y employees. Their sense of get-now attitude, immediate gratification culture, and continuous technological connections have all facilitated the Generation Y to adhere to skyrocketing expectations from their employer. The study identified the following factors has been crucial to the retention of Generation Y employees:

- Job satisfaction,
- Mentoring,
- Career development,
- Inclusive style of management, and
- Work environment and nature of working style.

A study conducted by Koh (2018) found that the following factors also had a significant impact on the retention of Generation Y employees:

- Compensation,
- Leadership,
- Training and Development,
- Working Environment,
- Work-Life Balance, and
- Job Satisfaction.

Furthermore, it was found, if generation Y employees feel they have mastered their job, they quickly move on to other companies (Weyland, 2011), making the situation difficult to predict or manage, however a study conducted by Osman *et al.* (2017) revealed that job satisfaction did affect work loyalty or organisational commitment amongst Generation Y employees, by 75 percent.

Osman *et al.* (2017) also concluded that compensation significantly impacts Generation Y employee's job satisfaction by 64 percent, whereas items such as performance appraisals have a lower significance to Generation Y employee's job satisfaction, at 37 percent.

2.4.4 Factors contributing to employee resignations within high performance driven organisations

Deloitte and Touche (2012) revealed the following issues with high performance driven organisations, i.e. the main reasons employees resigned or planned to resign was due to factors such as:

- Lack of career progress,
- Dissatisfaction with senior management (leadership) or direct supervisors, and
- Lack of meaningful work,
- Lack of challenge in the current job,
- The prospect of new opportunities on the horizon,
- Improper utilisation of skills and abilities.

These are extremely pertinent factors for the current study as the organisation being evaluated is a professional services organisation.

2.4.5 Factors pertaining to responsible human resources (HR) practices in the engineering sector

Coetzee *et al* (2014) published an article confirming that the knowledge of HR practices will potentially influence the attraction and retention of engineering staff. A significant amount of the staff compliment within the said professional services organisation comprises of engineers across various disciplines. The findings underscore the importance of assessing employees' perceptions of HR practices relating to job satisfaction, leadership, training and development, rewards and remuneration, and HR policies and procedures as these have been shown to predict higher levels of organisational commitment significantly. The practical implications for managers and HR practitioners are to take a proactive approach in facilitating an organisational culture that reflects the 13 core HR practices that are essential to a high-performing culture, which as confirmed by (Deloitte & Touche, 2009) are:

1. Leadership

Leadership is the ability to positively reinforce vigour and direction with clarity, openness and honesty. Effective leaders must be able to motivate and inspire employees. Detert and Treviño (2010) stated that leaders who act fairly and treat people ethically and with integrity, positively influence an employee's willingness to remain in that organisation. A study conducted by Lam *et al.* (2016) proved that ethical leaders have the ability to significantly influence employees through a motivational state of cognitive engagement. This type of motivational influence is the result employees tend to be readily available to voice their opinions regarding organisational issues and less likely to resign from an organisation under the guidance of ethical leaders. An engaging leadership style is believed to create an environment where people respect each other, care for the development and wellbeing of each other and value each other's contributions according to Alimo-Metcalfe *et al.* (2008). As such, the leader is transparent, ethical, and open to the employee contributions. These leaders believe that their employees are capable of achieving high performance according to Park & Kim (2017). Miles *et al.* (2014) identified the following critical behaviours as good leadership qualities; innovativeness, visionary, guiding, mentoring, objective, pragmatic, respectful, caring, technically competent, and accountable. These studies therefore confirm that employees are directly influenced by organisational leadership and their intention to quit from an organisation.

2. Management style

Management style relates to the ability of the manager or supervisor, as perceived by the employee, to provide the necessary support to empower employees to carry out their jobs efficiently. It relates to the accessibility of the manager as well as whether the manager sets realistic objectives and recognises or acknowledges good work; management style influences employee commitment which has an effect on the organisation's objectives (Zeffane, 1994). An article published by McWilliams (2011) also alluded to the fact that accumulated dissatisfaction and eventually voluntary resignations of employees in an engineering company in Australia were due to the fact that specific managers had no real understanding of the business and words such as "controlling", "micromanaging", "unethical", and "self-serving" were used to describe those specific individuals.

3. Communication

Communication entails the quality and frequency of internal communications within the organisation, either as an integrated organisation or between the different business units. Employees expect timeous feedback regarding decisions, especially about decisions that impact employees directly. A study conducted by (Ghina, 2012) stated that the more frequently employees are involved in the decision-making process, the more likely and susceptible their feelings of loyalty become. During times of organisational change/restructuring according to Patient *et al.* (2015), the aspect of communication becomes more significant to employees within the organisation and an important predictor of employee reactions is based on the perceived quality, timing and sincerity of the message delivered by organisational leadership regarding the organisational changes.

4. Values and culture

Values and culture refer to an employee's perception regarding an organisation's climate and value system. Employees seek a sense of trust, openness and transparency within the organisation and expect that personal beliefs be respected. South Africa, for example, has a rich cultural heritage and organisations that favour this is well sought out by employees. Values and beliefs explain an organisational climate in respect to aspects which are not visible but exist within an employee's behaviour and actions (Moghimi & Subramaniam, 2013).

5. Innovation

Innovation is the ability or inability to continually develop new ideas, products, services or systems to facilitate growth in any area of business. Pande *et al.* (2013) confirmed that positive innovation practices in organisations are likely to retain employees as well as give organisations a competitive advantage.

6. Job satisfaction

Job satisfaction is the ability to fully utilise skills to complete the task set out effectively. It entails having clear work objectives and access to the necessary tools and resources to facilitate this. Shah *et al.* (2012) stated that employees who have clear work objectives and

are armed with the correct tools for the job, effectively complete their tasks which in turn provides a level of satisfaction that results in longer-term commitment to the organisation.

7. Human resources (HR) policies and procedures

HR policies and procedures imply the extent to which policies and procedures are readily available to all employees, the better the systems are for the management of HR policies and procedures, the higher the chance of organisational commitment and therefore smaller chance of employee resignations or turnover.

8. Performance management

Performance management refers to the perceived consistency and fairness of implementation experienced by employees. Decremer *et al.* (2012) confirmed that amongst highly skilled engineering workers, their psychological commitment is higher when the organisation is perceived to be fair and consistent regarding performance management.

9. Recognition

Recognition according to Zaitouni *et al.* (2011) has both monetary and non-monetary value. Monetary compensation although important is not the only cause for retaining employees. Instead, non-monetary elements (e.g. positive feedback and recognition) is also very important in retaining employees.

10. Rewards and remuneration

Rewards and remuneration is the extent to which employees perceive their remuneration to be fair when compared to similar market-related jobs. Fair remuneration is encouraged and is seen to increase organisational commitment. Aspects such as incentives and bonuses also form part of this segment. Zaitouni *et al.* (2011) confirmed that bonuses, promotions, and increased salary are all factors that contribute to an employee's long-term commitment to an organisation.

11. Training and development

Training and development refer to the ability of an employee to grow and develop within an organisation by enhancing skills to better suit the individual either for their current job or a future role within an organisation. Organisations that promote career growth and development opportunities are seen to attract and retain employees. An article published by Frey *et al.* (2014) stated that the positive outcome of training and development in professional services organisations results in perceived organisational support enhances organisational commitment, which ultimately results in attraction and retention of professional resources. The article published by Frey *et al.* (2014) further confirmed that Generation Y employees tend to value the idea of training and development, similar to that of employees in other aged categories. The results of this study inferred that the results of investing in training and development not only assists in attracting and retaining professional individuals but also enhances their abilities, which is considered a win-win situation.

12. Diversity and transformation

Diversity and transformation are the extent to which diversity management within an organisation is applied. Particular focus is aimed on equity in respect to age, gender and ethnicity. Jonsen *et al.* (2013) stated that organisations practising fair and equitable treatment have a reputation for retaining talented individuals.

13. Change management

Change management refers to the “management” of the “change management” process in an organisation. Typically underlining how effective and transparent the process is and is there sufficient communication, support and involvement from organisational leadership to support the process. Visagie and Steyn (2011) are of the view that committed employees tend to go the extra mile when the concept of change management is perceived to be delivered effectively by organisational leadership.

2.4.6 Corporate Social Responsibility (CSR) for organisations

A challenge faced by most modern-day organisations is the aspect of corporate social responsibility and the ethical obligation and considerations required to achieve this. A study

conducted by Bierema and d'Abundo (2004) revealed that simply concentrating on productivity and performance-based human resources development (HRD), will not prove fruitful for organisations in the long run, rather it will diminish the 'human resources' in the process and increase other associated costs such as turnover, stress, and employees quitting the work for competition. A paradigm shift is therefore required to mitigate organisations' current thinking in respect to continuous economic and organizational growth attributes and instead encourage them towards adopting responsible and sustainable HR practices within a blend of three interconnected areas, i.e. sustainability, corporate social responsibility (CSR), and business ethics (Ardichvili, 2012). This in the long run will better serve to retain employees that hold this requirement in high regard in respect to their decisions in resigning or planning to resign from an organisation. Generation Y employees in the engineering sector tend to hold this requirement in higher regard as compared to employees of different ages, when deciding whether to remain or quit an organisation.

2.4.6 Parental leave for employees

An article published by DeCarlo (2018) found that promoting a healthy work-life balance helps in recruiting and retaining employees within the engineering and architectural sector. Organisations should look at supporting new parents and employees who face family hardship by offering forward-looking leave policies. A California study found that more than 95 percent of people that took leave returned happily after, reinforcing the fact that paid leave for parents (male and female) promotes retention without adversely affecting an organisation's bottom line.

According to Borgh *et al.* (2018), parents who experience negative or neutral attitudes towards parental leave and parenthood amongst managers and colleagues are less likely to obtain a high occupational balance, as compared to parents that display highly positive attitudes towards these factors. High occupational balance also implied that clear handover structures were in place during parental leave periods.

2.4.8 Organisational concerns for exiting Baby Boomer employees

Even though this is not a specific factor regarding employee resignations, it is still a critical aspect for organisations to consider. An article published by Bloomberg (2012) stated that 72

percent of U.S. employers are concerned regarding the tacit knowledge that baby boomers will take with them when they retire. Typical actions employers are taking to combat the problem according to the survey conducted amongst 430 randomly selected human resources management professionals from the society for human resources management according to Bloomberg (2012), are as follows:

- Succession planning,
- An increase in training,
- Allowing flexible working arrangements to satisfy older employees,
- Rehiring retired employees on temporary contracts or as consultants, and
- Availing part-time vacancies/posts to accommodate retired employees.

Another interesting fact from the same source revealed that 46 percent of organisations consider the loss of retiring employee's skills and knowledge as a concern, whereas 27 percent feel it is not a concern. Subsequent to the study a question directed to the human resources (HR) professionals was to identify the largest gaps between employee's aged 50 years and older as compared to employees aged 31 years and less, and the following was revealed:

- 51 percent of HR managers stated that baby boomers (older employees) have stronger writing, spelling skills (English), and grammar,
- Similarly (52 percent) stated that older employees exhibit a stronger work ethic, and
- Contrary to popular belief, only 33 percent of respondents regards older employees as having the upper hand regarding technical abilities such as engineering, computer literacy, and mechanical knowledge.

The data revealed by Bloomberg (2012) provides insight into addressing aspects such as knowledge transfer and a loss of critical skills which is a subsequent factor to the present study.

2.4.9 Top 10 reasons good employees quit

According to Charney (2008), a veteran search consultant in the recruitment industry, the following are considered fundamental reasons for good employees are leaving an organisation:

- The job was not as expected,
- The mismatch between job and new hire,
- Work/life imbalance,
- Feeling undervalued,
- Too little coaching and feedback,
- Management freezes raises and promotions,
- Management lacks people skills,
- Lack of faith and confidence in organisational leadership,
- Lack of decision-making power, and
- Too few growth opportunities.

Based on the various sources of material analysed, it is becoming evidently clearer to see that the themes arising from previous research starting to overlap in respect to factors contributing to an employee's intention to quit/resign from an organisation.

2.4.10 Individual determinants

Individual determinants are related to the individual per se, and according to a study conducted by Arekar *et al.* (2016), individual determinants have a significant impact on employee turnover within organisations, even though not much research is presented to combat the problem. Agho *et al.* (1993) define individual determinants as personality variables or characteristics that is developed by an individual. Furthermore, it can also be defined as the intrapersonal and interpersonal nature of employees within an organisation, considered as aspects determining an employee's intent to quit or remain with an organisation. The following have been touched on in respect to individual determinants according to Arekar *et al.* (2016):

2.4.10.1 General training

General training is regarded as a transfer of knowledge and skills amongst employees.

2.4.10.2 Job motivation

Motivated employees tend to increase the production of the organisation as they themselves perform better.

2.4.10.3 Met expectation

All individuals or employees begin with some sort of expectation of the organisation. Expectation will vary from individual to individual, but ultimately the bottom line is, did the organisation provide what was perceived about the organisation versus what actually happened.

2.4.10.4 Positive affectivity

Positive affectivity is directly correlated to the feeling of pleasant emotional states. Employees who are more happy, motivated, and cheerful tend to perform better than their counterparts.

2.4.11 Structural determinants

Also known as organisational determinants, are factors which are controlled by the organisation. Gupta *et al.* (2017) stated that employee turnover based on structural determinants is the relationship between structural factors of the work environment, also the pattern of social relations within the work environment. Structural determinants are typically rooted in internal causes such as the reward system, characteristics of work performed, the interaction of organisational members, and the promotion system.

According to Gupta *et al.* (2017:129) the eight determinants of structural determinants contributing to an employee's intention to remain or quit an organisation are; social support, routineness, promotional chances, professional growth, pay, job stress, distributive justice, and autonomy.

2.4.11.1 Social support

Social support is made up of three aspects, support from:

- Supervisors,
- Co-workers, and
- Family.

These three support systems prove to be very important to any employee. When an employee is deprived of assistance in the workplace on job-related matters, this can then result in the employee quitting the organisation.

2.4.11.2 Routineness

Jobs which are repetitive in nature become boring for employees with good educational backgrounds and therefore result in employee's turnover.

2.4.11.3 Promotional chances

The aspect of promotional chances depends on an employee's perception of their growth within that organisation. This is linked to an employee's vertical mobility regarding occupational growth.

2.4.11.4 Professional growth

Defined as the chances an employer provides to increase job-related skills and knowledge. Where or how do employees envisage themselves in a specific period? Are there sufficient opportunities within the organisation for growth?

2.4.11.5 Pay

The definition of pay is money and/or its equivalent which is exchanged with employees for a service offered.

2.4.11.6 Job stress

Regarded as one of the most critical determinants. The definition of job stress is essentially the extent to which job requirements cannot be achieved. A key aspect to take cognisance of is whether the employee has enough knowledge and skills to execute the task put forth by the organisation, or does the organisation expect more from the individual than their skill set allows.

2.4.11.7 Distributive justice

Is the perception an individual has towards their organisation? It covers aspects such as rewards, salary hikes, promotions, and fringe benefits. It is also used as a means of comparison between employees within an organisation.

2.4.11.8 Autonomy

Also considered one of the more important determinants, significantly influences employee turnover. Autonomy also plays a role in respect to the employee's development. Autonomy has also proven to increase the risk-taking ability of employees.

2.4.12 Information injustice with regard to high performing individuals

As a study conducted by Patient *et al.* (2015) revealed interesting insight in respect to employees and the manner in which they perceive the sharing of information by organisational leadership during times of significant change (i.e. informational justice), more especially in this regard, in times when organisations are downsizing or retrenching. This is quite apt, given that the said professional services organisation being evaluated in this study is currently undergoing a major strategic transition which will result in a significant downsizing of employees within the organisation. The message shared by Patient *et al.* (2015) is that during times of significant change, employees who identify well with their organisation expect timeous and accurate transfer of information regarding organisational change, and when this requirement is not met, these individuals lose faith in organisational leadership with respect to the stewardship of the organisation which therefore results in voluntary turnover of good employees.

2.4.13 Diversity and transformation

South Africa is a country currently 24 years into a constitutional democracy, however, there are still major gaps in respect to diversity and transformation within the private sector. The National Development Plan (NDP) is a legislative framework that seeks to achieve an economy which is inclusive, reduced of inequality of women and alleviates poverty by the year 2030. However, within the private sector, there are still significant gaps in respect to the representation of previously disadvantaged groups, more especially in respect to black African women in management positions (Matotoka & Odeku, 2018). This is a sentiment that is echoed quite strongly within the population of South Africa, more especially within professional service organisations and is also a strong determinant of employee resignations, especially within the younger population of organisational employees.

2.5 CONCLUSION

Based on the literature evaluated, it becomes evident that there is an overlap regarding factors about employee resignations. This overlap of data approaches to the research carried out pretentious in that the factors pertaining to employee resignations can be appropriately clustered into categorised construct's, forming a basis for the testing of theories. Based on the evaluated literature, employee resignations can, therefore, be grouped into the following four constructs:

- Personal expectations – (Individual Determinants),
- Organisational policies/culture – (Structural Determinants),
- Issues regarding direct management (Direct Supervisor), and
- Issues regarding organisational leadership or stewards of the organisation (Organisational Leadership).

Over and above the overlapping literature resulting in the development of the above four constructs, the evaluated literature also identified the following three constructs which are pertinent to the organisation:

- Diversity and transformation,

- Decision-making authority, and
- Remuneration.

The last construct which was then proposed by the author was:

- Resignation-intention.

To directly test the question of resignation intention within the organisation. These constructs will, therefore, form the basis of the design and survey instrument which will be utilised to gain further input from the target population within the professional services organisation being researched.

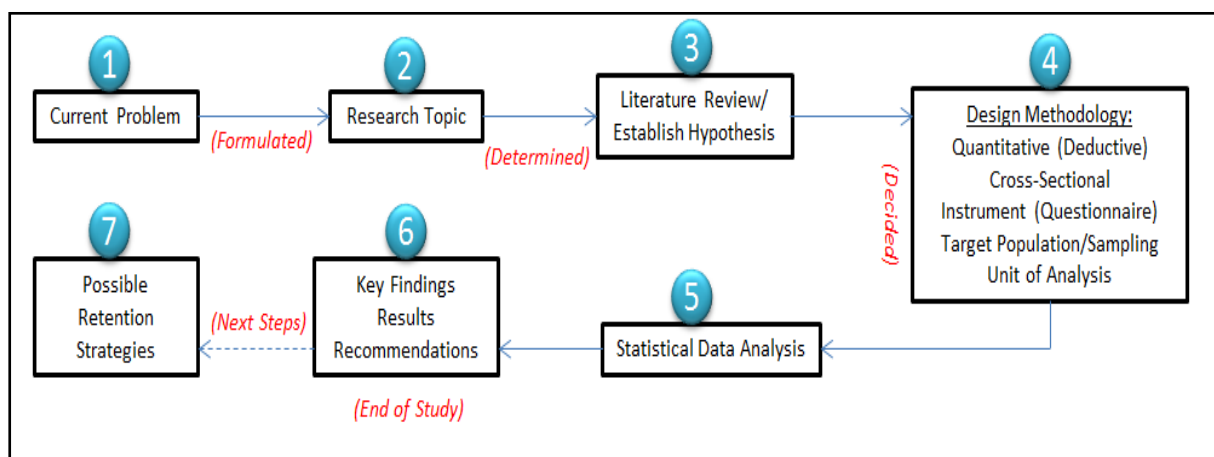
CHAPTER 3: EMPIRICAL STUDY

3.1 INTRODUCTION

This chapter details the research process utilised to implement the study: “Factors leading to employee resignations within a Professional Services Organisation”, as well as discusses the results obtained. The primary objective of the study was to ascertain the most prominent factors leading to employee resignations, within the professional services organisation being evaluated. Secondary objectives include evaluating respondent data to establish unique similarities or differences amongst the respective demographic groups regarding factors about employee resignations.

The research topic was formulated due to a current need within the organisation. A literature review was completed to determine the pertinent factors contributing to employee resignations. Figure 1 is a representation of the overall research design methodology implemented in this study.

Figure 1: Overall Representation of the Research Design Process



In determining the factors about employee resignations, literature dating back more than 20 years to current day was evaluated, displaying the amount of research available regarding the topic being researched. On a positive note, this wide range of evaluated literature benefited the author to ascertaining the pertinent factors about employee resignations. Based on past and present data evaluated in the literature review in Chapter 2, a tailored questionnaire was developed (contained in Appendix B). The questionnaire was based on seven demographic

questions (Part 1), and 30 questions about factors resulting in employee resignations (Part 2), which effectively resulted in a total of 8 segmented constructs's being formulated. The questionnaire was then distributed to a targeted population within the organisation and after that the respondent data, i.e. study population data, was further analysed.

3.2 SAMPLE GROUP AND SIZE

The target population for this research study was intended to acquire a non-random purposive sample based on the organisational makeup. Even though it is not practically possible to effectively target and gather responses from all individuals within an organisation, measures were put in place to obtain an effective subset of the organisational population which could be targeted to execute the research. The target population, therefore, consisted of 150 individuals within the organisation, and the effective study population consisted of 66 responses from individuals within the organisation, for which data was analysed.

3.2.1 The target population profile

A non-random purposive sample population was targeted for this study. The target population are employees within the organisation that the electronic survey was sent too. This sample was selected to acquire a represented population of individuals within the organisation in terms of gender, age, and role category. Although no random sampling methods were applied as no inferential statistics are done, relevant, pertinent strata tried to be accommodated by the author to constitute an effective study. The target population, therefore, consisted of **150 employees** within the professional services organisation. Figure 2 to 4 below is a representation of the target population with respect to **Gender, Age, and Role Category**:

Figure 2: Target Population in respect to Gender

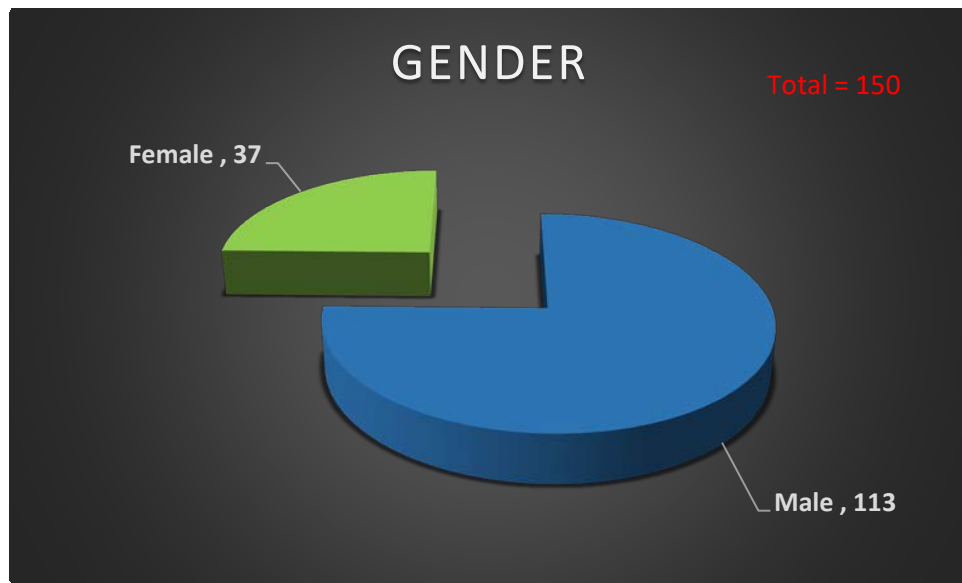


Figure 3: Target Population in respect to Age

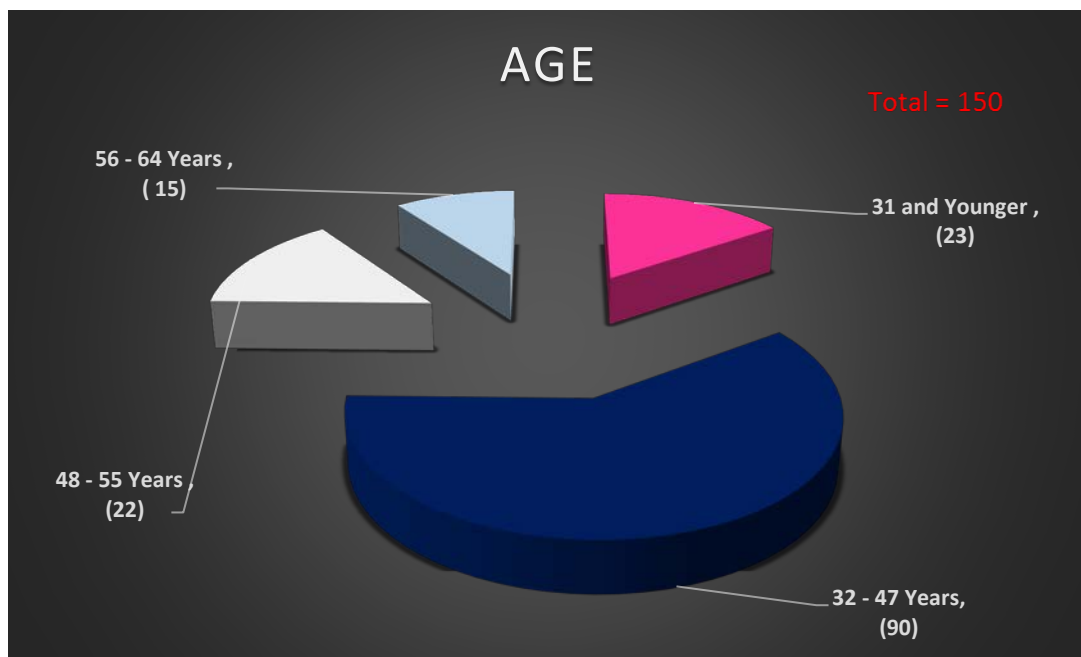
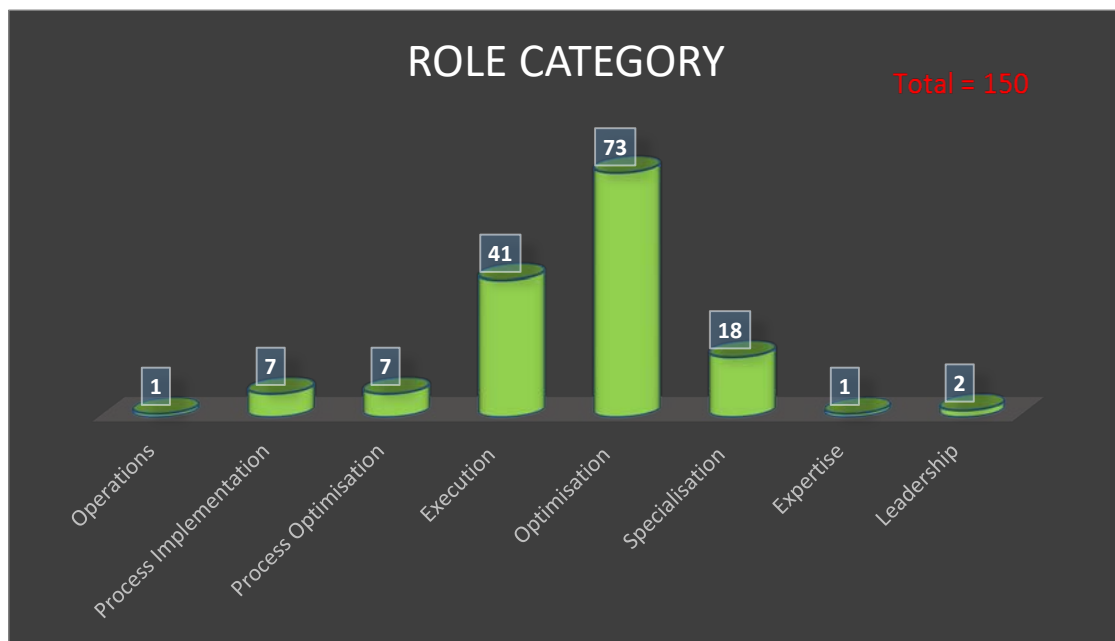


Figure 4: Target Population in respect to Role Category



3.2.2 The study population profile

The study population are all employees that responded to the survey from the target population. At the close of the survey, the response rate consisted of 79 responses. Respondents that only answered the demographic questions (part 1 of the survey instrument) were removed from the target population analysis, as no answers or only some answers to the items listed in part 2 of the questionnaire occurred, therefore disqualifying 13 respondents and resulting in a final study population of **66 respondents**. Please note that interpretation of results in this study will be based on Cohen's *d* effect sizes as a result of the fact that no random sampling was utilised, thus, no inferential statistics (p-value) could be interpreted although p-values will be reported for the sake of completeness.

Figure 5 to 7 below is a representation of the study population with respect to **Gender, Age, and Role Category**:

Figure 5: Study Population in respect to Gender

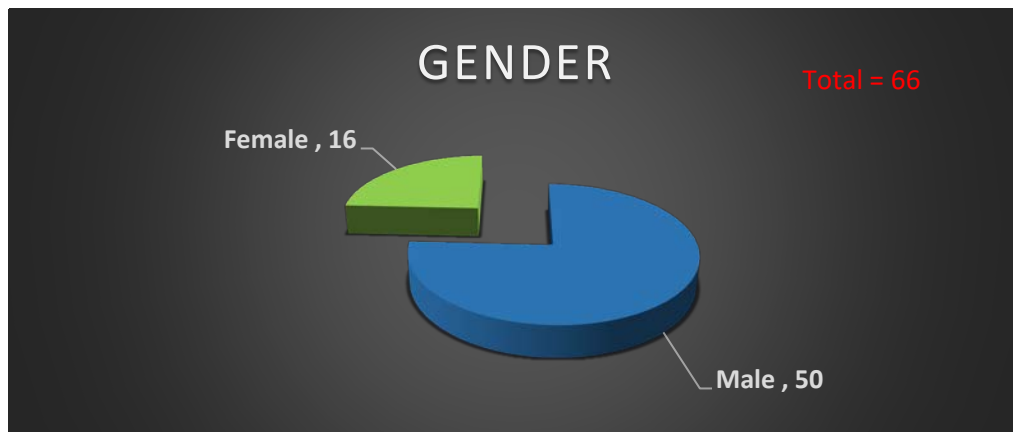


Figure 6: Study Population in respect to Age

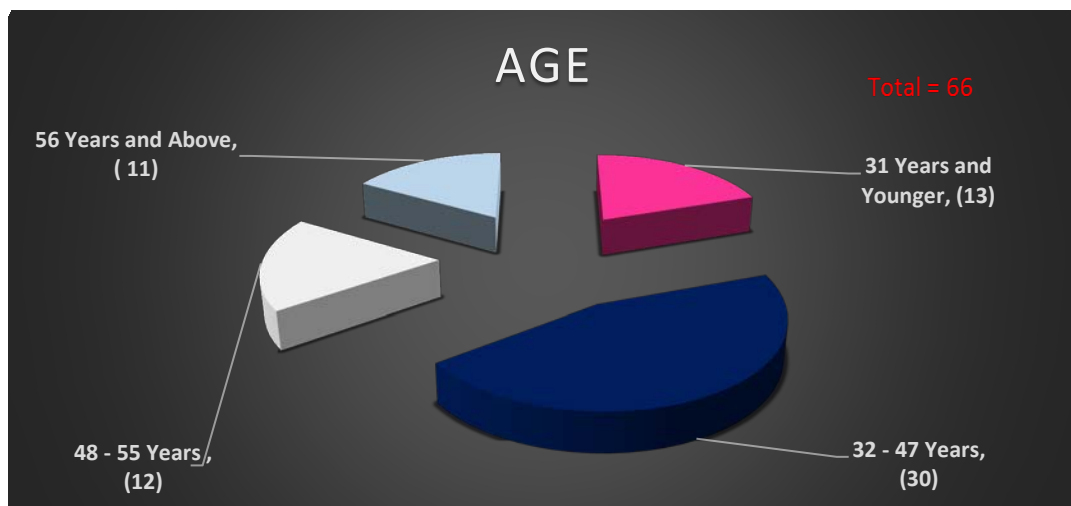
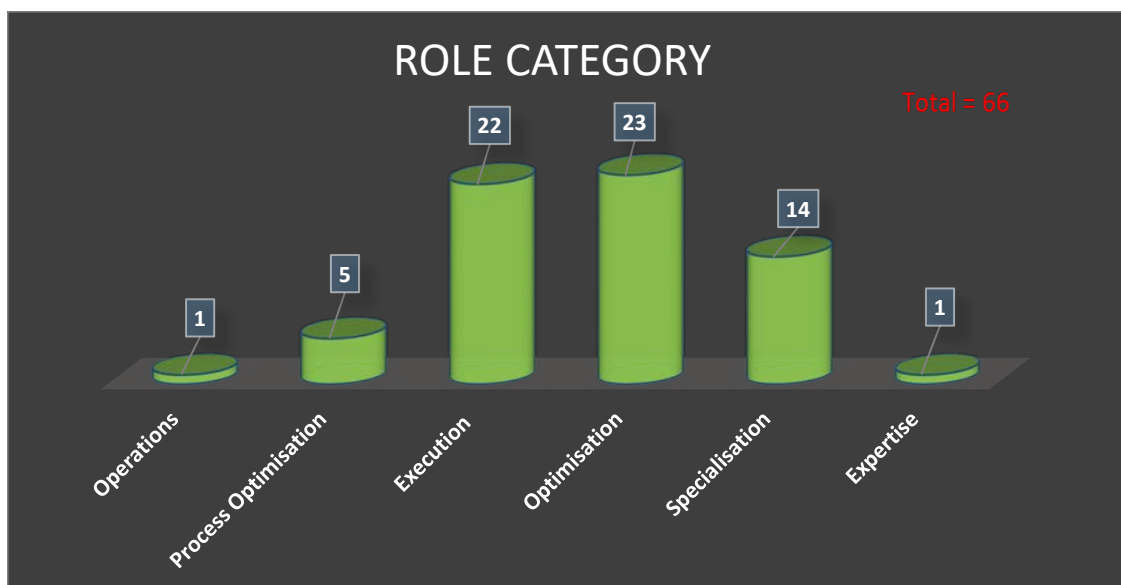


Figure 7: Study Population in respect to Role Category



3.3 SURVEY INSTRUMENT

Two main approaches are utilised by researchers, i.e. qualitative and quantitative. Qualitative research involves interpreting subjective data obtained from individuals, while quantitative utilises analysis based on complex structured methods to gain an outsider's perspective.

To meet the objectives of this study, a quantitative design approach will be implemented. According to Bryman et al. (2014), quantitative research tends to adopt a deductive approach to the relationship between theory and research, in which the emphasis is placed on the testing of theories. For this research, theories are tested in the form of questionnaire's which are issued to employees within the professional services organisation.

The design will be cross-sectional in nature. One of the most common and well-known study designs is a cross-sectional study design. In this type of research study, either the entire population or a subset thereof is selected, and from these individuals, data is collected to help answer the research questions of interest. This research study will collect data from a subset of the total population, seen above in section 3.2.1: The Target Population.

The research study is cross-sectional because the information about variables gathered represents what is going on at only one point in time according to Olsen *et al.* (2004). The study population for this research will be based on the response rate received from the target population, and no random sampling procedures will be utilised.

A questionnaire was utilised as the survey instrument as this facilitated easy distribution amongst target population using electronic mails. The questionnaire was based on the literature review conducted in Chapter 2 and is attached in Appendix B.

The questionnaire consisted of two parts, part 1 contained eight demographic questions, and part 2 contained 30 questions about factors contributing to an employee intention to resign, tested on a four-point Likert scale, with the following range:

- 1. Strongly Disagree,
- 2. Disagree,
- 3. Agree,
- 4. Strongly Agree.

Part 1 – Demographic Questions

- 1.1 Age
- 1.2 Gender
- 1.3 Highest Academic Qualification
- 1.4 Marital Status
- 1.5 Do you have children
- 1.6 Role Category
- 1.7 Number of years within the Organisation
- 1.8 Last Merit Rating

Part 2 – Factors Leading to Employee Resignations

- Q1_1 to Q4_5 (total of 30 questions on a four-point Likert scale)

Part 2 of the questionnaire was intentionally designed by the author based on the literature review conducted in Chapter 2, to evaluate seven pertinent constructs regarding employee resignations. An additional construct was added by the author, namely *Resignation intention*, where the question was directly posed to participants to state whether they have in the past, or currently feel like resigning from the organisation. According to Welman *et al.* (2015), constructs are intentionally created to represent an abstract concept of a diverging collection of behaviours. Table 1 displays the relevant constructs and their associated questions from part 2 of the questionnaire.

Table 1: Construct's and Associated Questions

| No . | Construct | Number of Questions | Associated Questions |
|------|------------------------------|---------------------|-------------------------------------|
| 1 | Direct Supervisor | 6 | Q3_1; Q3_2; Q3_3; Q3_4; Q3_5; Q3_6 |
| 2 | Individual Determinants | 6 | Q1_4; Q1_5; Q1_6; Q2_3; Q2_9; Q2_10 |
| 3 | Organisational Leadership | 4 | Q4_1; Q4_2; Q4_3; Q4_5 |
| 4 | Structural Determinants | 5 | Q1_7; Q2_2; Q2_4; Q2_11; Q2_12 |
| 5 | Diversity and Transformation | 1 | Q2_7 |
| 6 | Decision Making Authority | 2 | Q2_5; Q2_6 |
| 7 | Remuneration | 1 | Q2_1 |
| 8 | Resignation Intention | 2 | Q1_1; Q1_2 |

The following items were omitted from the analysis; Q1_3; Q2_8; and Q4_4, as it did not comply with content validity. There is, therefore, a total of 27 questions representing the eight stipulated construct's which will be utilised for obtaining pertinent employee data. Please refer to Appendix C for the questions about the eight constructs.

3.4 EXPLORATORY SURVEY TESTING

The questionnaire was pre-tested with 11 individuals within the organisation. These individuals were requested to test the questionnaire's intent and to ensure the general grammar, language, and understanding of the questionnaire was clear. The 11 individuals that were targeted for exploratory-testing of the questionnaire are as per the following role categories contained in Table 2 below:

Table 2: Exploratory Survey Distribution

| Role Category | Number |
|----------------|-----------|
| Optimisation | 5 |
| Specialisation | 4 |
| Leadership | 2 |
| Total | 11 |

The exploratory-testing was performed in parallel with all individuals, after which the questionnaire was updated to incorporate comments before distributing to the target population.

3.5 DATA COLLECTION

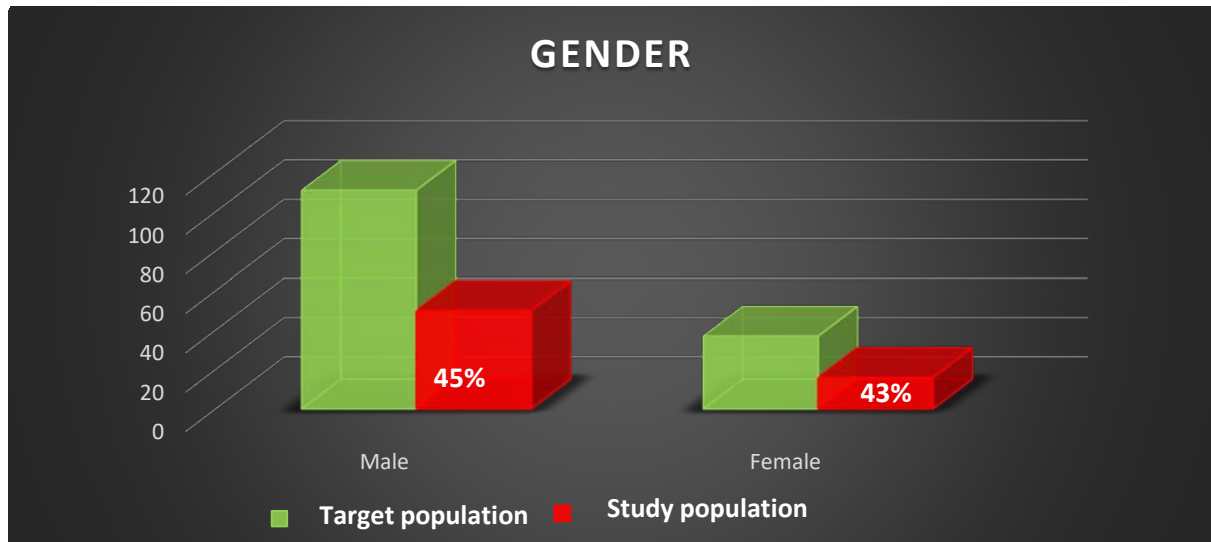
Data collection was done in the form of self-administered questionnaires which were issued to targeted employees within the organisation via electronic mail. The electronic mail contained background information regarding the study as well as an “Informed Consent Form” requesting participation in the research study (see Appendix A). Target population members were notified that the research guaranteed anonymity as only aggregated data will be represented for the purposes for this study. Employees were after that requested to complete the web questionnaire/survey via a link in the email as this method allows the information to be automatically downloaded into a database for analysis according to Bryman *et al.* (2014). Email addresses for employees are required, and this was acquired using the “Global Organisational Mailbox” for which approval was granted by organisational leadership.

The online survey was administered via “Survey Face”, where an online survey request was forwarded to the target population via electronic mail requesting them to click on a link, after completing the online survey, the raw data was automatically transferred into an online database where the data could be extracted into Microsoft Excel (a Microsoft package tool) for analysing purposes. The services of the “North-West University: Statistical Consultation Services” department was after that employed for assistance with respect to the data analysis aspect of this research study. The survey was issued on the 14th of November 2018 and closed on the 5th of November 2018.

The following comparisons could be concluded based on the available data regarding the targeted population and the study population (respondents). Although no random sampling methods were applied as no inferential statistics are done, relevant, pertinent **strata** tried to be accommodated by the author to constitute an effective study.

Figures 8, 9, and 10 below display the representation of the study population compared to the target population, regarding **gender**, **age**, and **role category**.

Figure 8: Gender comparison between the Target and Study Population



From figure 8 above, it is evident that the targeted male population is significantly larger than the targeted female population. This was purposely done to represent the larger male population currently within the organisation and to give a true reflection of the current organisation. Response rates of 45 percent and 43 percent were attained for the male and female populations, respectively, indicating that the study sample is well represented regarding gender.

Figure 9: Age comparison between the Target and Study Population

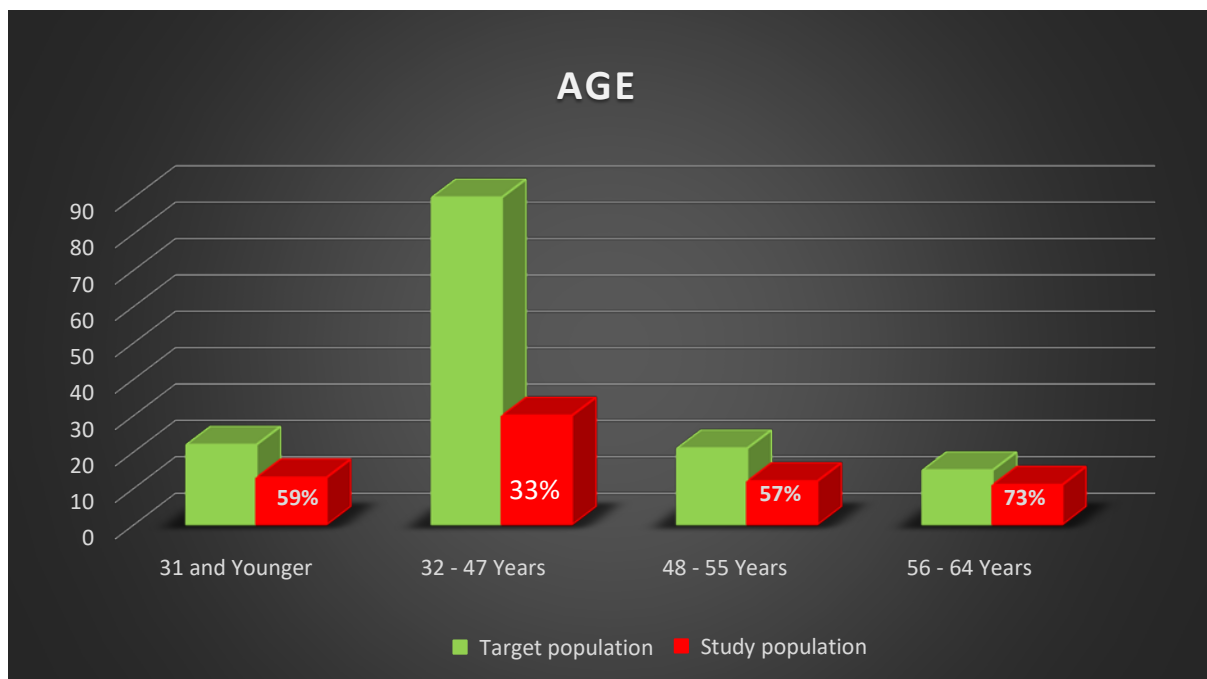
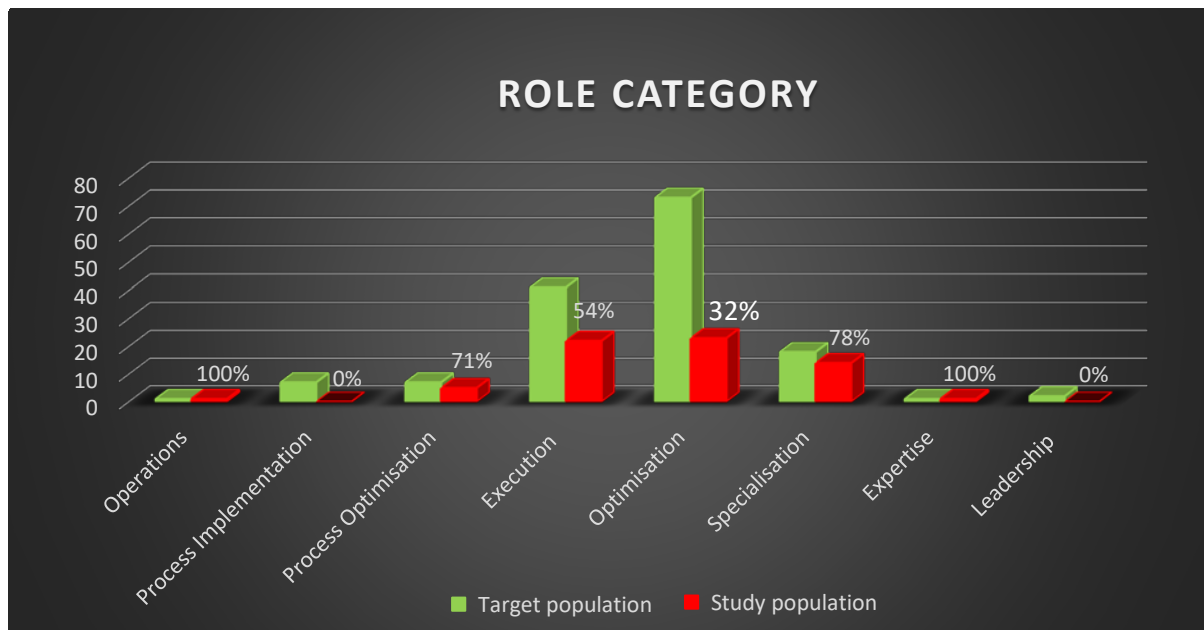


Figure 9 shows that a wide distribution of age categories was addressed in this sample to effectively represent the current make-up of employees within the organisation. Response rates of 59, 33, 57, and 73 percent are attained for the 31 and younger, 32 to 47, 48 to 55, and 56 to 64-year categories, respectively. These response rates indicate that the target population was effectively represented regarding the study population.

Figure 10: Role Category comparison between the Target and Study Population



According to figure 10 above, a well-represented target population regarding role category is observed. Except for the “Process Implementation” and “Leadership” role category, a significant representation of all other role categories is observed, confirming that the intended sample is well represented.

A total of 150 questionnaires were distributed to employees within the organisation, and a total of 79 were accounted for, however, due to the incompleteness of responses (respondents only answering part 1 of the questionnaire), 66 responses were utilized for the purposes for this study.

Tables 3 to 10 reflects the profile of the study population.

Table 3: Demographic Profile D1 – Age

| D1 | Age | Frequency | Percent |
|-------|----------------|-----------|---------|
| 1 | 31 and Younger | 13 | 20 |
| 2 | 32 - 47 | 30 | 45 |
| 3 | 48 - 55 | 12 | 18 |
| 4 | 56 and Older | 11 | 17 |
| Total | | 66 | 100 |

Table 4: Demographic Profile D2 – Gender

| D2 | Gender | Frequency | Percent |
|-------|--------|-----------|---------|
| 1 | Male | 50 | 76 |
| 2 | Female | 16 | 24 |
| Total | | 66 | 100 |

Table 5: Demographic Profile D3 - Academic Qualification

| D3 | Academic Qualification | Frequency | Percent |
|-------|------------------------|-----------|---------|
| 1 | Grade 12 or Lower | 0 | 0 |
| 2 | Certificate or Diploma | 4 | 6 |
| 3 | Bachelor's Degree | 27 | 41 |
| 4 | Post Graduate Degree | 34 | 52 |
| 5 | Other | 1 | 1 |
| Total | | 66 | 100 |

Table 6: Demographic Profile D4 - Marital Status

| D4 | Marital Status | Frequency | Percent |
|-------|------------------------|-----------|---------|
| 1 | Single | 5 | 8 |
| 2 | Long Term Relationship | 5 | 8 |
| 3 | Married | 53 | 80 |
| 4 | Divorced | 3 | 4 |
| 5 | Widowed | 0 | 0 |
| Total | | 66 | 100 |

Table 7: Demographic Profile D5 – Children

| D5 | Do you have children? | Frequency | Percent |
|-------|-----------------------|-----------|---------|
| 1 | Yes | 51 | 77 |
| 2 | No | 15 | 13 |
| Total | | 66 | 100 |

Table 8: Demographic Profile D6 - Role Category

| D6 | Role Category | Frequency | Percent |
|-------|------------------------|-----------|---------|
| 1 | Operations | 1 | 2 |
| 2 | Process Implementation | 0 | 0 |
| 3 | Process Optimisation | 5 | 7 |
| 4 | Execution | 22 | 33 |
| 5 | Optimisation | 23 | 35 |
| 6 | Specialisation | 14 | 21 |
| 7 | Expertise | 1 | 2 |
| 8 | Leadership | 0 | 0 |
| Total | | 66 | 100 |

Table 9: Demographic Profile D7 - Number of Years with the Organisation

| D7 | Number of Years with the Organisation | Frequency | Percent |
|-------|---------------------------------------|-----------|---------|
| 1 | Less than two years | 3 | 5 |
| 2 | 3 - 5 years | 5 | 8 |
| 3 | 6 - 9 years | 14 | 21 |
| 4 | More than ten years | 44 | 66 |
| Total | | 66 | 100 |

Table 10: Demographic Profile D8 - Merit Rating

| D8 | Last Merit Rating | Frequency | Percent |
|-------|------------------------------|-----------|---------|
| 1 | X - Non Performer | 0 | 0 |
| 2 | D - Developer | 4 | 6 |
| 3 | F - Full | 50 | 76 |
| 4 | E - Exceptional | 7 | 11 |
| 5 | N - Newly Appointed/Promoted | 5 | 7 |
| Total | | 66 | 100 |

3.6 DATA ANALYSIS

The questionnaire contained in Appendix B will be utilized in the study. The questionnaire will comprise of two sections; part 1 which contains a mixture of nominal and ordinal categorical variables which are closed and fixed type questions, whereas part 2 contains interval or continuous variables in the form of a four-point Likert scale. The selection of these types of variables and questions ensures the correct data will be obtained and after that analysed to provide feedback regarding the primary and secondary research questions.

Consideration must be taken to account for missing data when analysing the results as the results could be jeopardised if missing data is not properly catered too. The software utilized to analyse the statistical data is a software program known as SAS -Statistical Analysing Software (SAS, 2015); the preferred software analytical tool for the North West University statistical department. The statistical data analysis scope of this study will be outsourced to a professional statistical consulting company from the North West University; “Statistical Consultation Services”, ensuring that the data to be analysed is accurate and reliable.

3.6.1 Coding of the questionnaire

The questionnaire needed to be coded using representing the possible answers per question, by a specific number. This was to ensure that the data received from respondents could be easily and accurately analysed for this study. Sequential numbering beginning at one was utilised for both Part 1 and Part 2 of the questionnaire. A detailed description of the implemented coding can be found in Appendix D.

3.6.2 Reliability and validity

To analyse the data obtained from the questionnaire, testing the questionnaire regarding reliability and validity is essential.

According to Field *et al.* (2012), a reliable questionnaire is expected to deliver results that are both consistent and accurate. Ravid (2011) states that reliability tests the amount of consistency regarding a questionnaire as well as the degree to which similar results are obtained when the survey instrument is repeated amongst individuals or the same groups. There are various methodologies that can be utilised to test the reliability of a survey

instrument or questionnaire, and the Cronbach's alpha coefficient methodology was utilized in this research study to test for reliability.

According to Ravid (2011), validity refers to testing the survey instrument (questionnaire) to ensure that the survey instrument actually does measure what it was designed to measure. Field *et al.* (2012) state that validity is important if test results are going to be used to infer other aspects. Construct validity was used to test the validity of the survey instrument applied in this study. According to Field *et al.* (2012), content or construct validity measures the degree of which items (or factors or questions) represent the actual construct being measured. It is important to note that validity is not a sufficient condition on its own. For the questionnaire to be valid, it must first be reliable as stated by Field *et al.* (2012).

According to Suhr (2006), confirmatory factor analysis (CFA) can be utilised to test the relationship between factors (or items), and the perceived constructs to which they form a part of, thereby implying that construct validity can, therefore, be empirically analysed by conducting CFA. CFA was therefore performed in this research study, taking into account the variation of communalities, the percentage of variance explained, as well as Kaiser's measure of sampling adequacy (MSA).

3.6.2.1 Construct validity

3.6.2.1.1 Kaiser's measure of sample adequacy

According to Field *et al.* (2012), the measure of sampling adequacy (MSA) is a test developed by Kaiser, Meyer and Olkin which indicates the inter-correlation between variables. The guidelines for MSA statistics state that the values vary between 0 and 1, with the following defined profiles listed in Table 11.

Table 11: MSA defined values

| Range | Description |
|--------------|--------------|
| 0.90 to 1.00 | Marvellous |
| 0.80 to 0.89 | Meritorious |
| 0.70 to 0.79 | Middling |
| 0.60 to 0.69 | Mediocre |
| 0.50 to 0.59 | Miserable |
| 0.00 to 0.49 | Unacceptable |

3.6.2.1.2 Factor variation

The eigenvalues of the correlation matrix of the items associated with the eight defined constructs were calculated using SAS (2015). These eigenvalues represent the amount of variance which could be explained by that specific linear component. According to Field *et al.* (2012), this approach is one the most popular utilised by researchers in determining the number of factors required to describe the correlations amongst variables. The calculation computed by SAS (2015) for this research study resulted in a total of 8 factors being retained by MINEIGEN criterion for each of the constructs.

3.6.1.2.3 Variation of communalities

Communality is the amount of variance present within a variable, which is explained by the extracted factors or retained components according to Field *et al.* (2012). Communalities were therefore calculated utilising SAS (2015), which represent the multiple correlations between factors and the associated extracted factor. Field *et al.* (2012) also states that variables with no specific variance will result in a communality of one, and a variable that shares none of its variance with another will result in a communality of zero. Therefore higher communality variables depend strongly on at least one of the retained components and those with lower communalities imply that they do not share much in common with the extracted components.

3.6.1.2.4 Factor analysis

In this study, a factor analysis was done on all items on part 2 of the questionnaire as a data reduction method to assure construct validity (SAS, 2015). The results of the factor analysis complete on part 2 of the questionnaire are reported in Table 12:

Table 12: Factor Analysis Results

| N | MSA | Number of Constructs | Percent of Variance Explained | Communality Variation (Lowest to Highest) |
|----|------|----------------------|-------------------------------|---|
| 66 | 0.78 | 8 | 71.50 | 0.54 – 0.80 |

As can be seen from Table 14, the MSA is 0.78, which falls into the middling category, as well as being above 0.5 which according to Field *et al.* (2012) is acceptable. Taking cognisance of the values obtained for the “Percentage of Variance Explained”; 71.5percent which is greater than 50 percent, as well as the “Communality Variations” between 0.54 and 0.80, constitute construct validity for the eight defined constructs as per Table 1 in section 3.3. These constructs are therefore valid.

3.6.1.3 Reliability of construct’s

3.6.1.3.1 The Cronbach alpha coefficient

According to Tavakoli and Dennick (2011), a common method to the measure the internal consistency when multiple-items (questions) are utilised to form a construct, is known as the Cronbach’s Alpha coefficient. Ravid (2011) stated that this type of test is adequately designed for testing the reliability of survey instruments that implement a Likert scale. Cronbach’s alpha coefficient splits data in two in all possible ways and after that computes the correlation coefficient for each of this split, with the resultant average of those splits equating to Cronbach’s alpha coefficient according to Field *et al.* (2012).

Numbers between the range of 0 and 1 are stated as the Cronbach’s alpha coefficient, measuring the inter-relatedness of items within a construct. According to Field *et al.* (2012), values for Cronbach’s alpha coefficient of above 0.8 are generally accepted for cognitive tests (e.g. intelligence tests), and lower than 0.7 is suitable for ability tests.

The Statistical Analysis System (SAS, 2015) was utilised to compute the Cronbach alpha coefficient for the constructs tested in this research study. Two constructs; “diversity and transformation” and “remuneration” could not be computed as they contained only one item per construct. The results for all other constructs are displayed in Table 13:

Table 13: Cronbach’s Alpha Reliability Coefficient

| No. | Construct | Number of Items | Cronbach's Alpha Coefficient |
|-----|---------------------------|-----------------|------------------------------|
| 1 | Direct Supervisor | 6 | 0.89 |
| 2 | Individual Determinants | 6 | 0.86 |
| 3 | Organisational Leadership | 4 | 0.78 |
| 4 | Structural Determinants | 5 | 0.73 |
| 5 | Decision Making Authority | 2 | 0.75 |
| 6 | Resignation Intention | 2 | 0.6 |

Since perceptions and therefore attitudes are tested in this research study, rather than ability, all values of 0.6 and above obtained for the Cronbach Alpha coefficient can be utilized according to Field *et al.* (2012), resulting in all construct’s being used and further demonstrating that the construct’s used for this research study have a high degree of internal consistency and can thus be regarded as reliable.

Based on the above data, the mean response count for the eight constructs represented in Table 12 above can, therefore, be utilised to conclude the factors leading to employee resignations. There is, therefore, no requirement to conduct a separate a separate analysis based on all 30 questions in part 2 of the questionnaire.

3.6.1.4 Conclusion in regard to validity and reliability

Utilising the confirmatory factor analysis by means the data reduction methodology (SAS, 2015), the validity of the questionnaire was found to be acceptable, therefore implying that the predefined constructs developed by the author were adequate for testing purposes.

Furthermore, based on the above data, the reliability of the survey instrument is found to be acceptable as values obtained for the Cronbach Alpha coefficient are all above 0.6.

3.6.2 Mean and standard deviation of construct assessment

In any given sample, the mean is a measure of central tendency, commonly utilised to indicate the central or balance point of a given dataset (Levine et al., 2008). It is, therefore, the average of a particular dataset. To determine the extent of the variation regarding the frequency distribution of a sample, standard deviation (S) is utilised. Higher standard deviations indicate that a larger spread around the mean is experienced (Field et al., 2012). Empirical rules for bell-shaped graphs or distributions state that 95 percent of values in a dataset will lie approximately two standard deviations away from the mean (Levine et al., 2008).

The following observed data regarding the mean and standard deviations were experienced for the eight constructs tested in part 2 of the questionnaire, listed in Table 14 below:

Table 14: Construct Mean Values and Standard Deviation

| No. | Construct | Number of Respondents | Mean Value | Standard Deviation |
|-----|------------------------------|-----------------------|------------|--------------------|
| 1 | Organisational Leadership | 66 | 3.02 | 0.59 |
| 2 | Individual Determinants | 66 | 2.85 | 0.67 |
| 3 | Decision Making Authority | 66 | 2.8 | 0.67 |
| 4 | Resignation Intention | 66 | 2.74 | 0.79 |
| 5 | Diversity and Transformation | 66 | 2.62 | 1.01 |
| 6 | Remuneration | 66 | 2.39 | 0.74 |
| 7 | Structural Determinants | 66 | 2.35 | 0.52 |
| 8 | Direct Supervisor | 66 | 1.83 | 0.61 |

Table 14 confirms that the lowest mean values experienced are for the “Direct Supervisor” construct, while the highest mean values experienced are for the constructs:

- “Organisational Leadership”,
- “Individual Determinants”, and
- “Decision Making Authority”.

This, therefore, implies that within the organisation, the biggest concerns regarding employee resignations are due to “organisational leadership”, “individual determinants”, and “decision-making authority” and construct of least concern regarding employee resignations within the organisation is the “direct supervisor”.

3.6.3 Pearson’s correlation (r)

Pearson’s correlation coefficients were calculated to determine if linear relationships existed between constructs. The “Resignation Intention” construct was measured against all other constructs to determine if any correlation existed.

According to Cohen (1988), the following guidelines are given for interpreting results according to Pearson’s correlation coefficients:

- $r = 0.1$ small effect
- $r = 0.3$ medium effect (noticeable with the naked eye)
- $r \geq 0.5$ large effect (practically significant and therefore of practical importance)

Table 15 below displays the results for the (SAS, 2015) computation of Pearson’s correlation coefficients:

Table 15: Pearson’s Correlation Coefficients (r) in term of “Resignation Intention”

| No. | Construct | r |
|-----|------------------------------|-------------------------------------|
| 1 | Individual Determinants | 0.47 ^{α} |
| 2 | Decision Making Authority | 0.44 ^{α} |
| 3 | Organisational Leadership | 0.38 ^{α} |
| 4 | Structural Determinants | 0.35 ^{α} |
| 5 | Direct Supervisor | 0.29 |
| 6 | Diversity and Transformation | 0.21 |
| 7 | Remuneration | 0.1 |

α – represents the following calculated r values: $0.3 \leq r < 0.5$

Based on the above table the following constructs display correlations greater than $r = 0.3$ (medium effect) meaning that these four constructs have a linear relationship concerning “resignation-intention” with medium practical effect, respectively:

- Individual Determinants,
- Decision Making Authority,
- Organisational Leadership, and
- Structural Determinants

This, therefore, implies that if any of these construct’s increase then resignation intention will also increase with a medium practical effect.

3.6.4 Cohen’s effect sizes (d)

Cohen’s effect sizes (d) were calculated to determine if differences were of any practical value. Ellis and Steyn (2003) highlight that when testing for practical significance, descriptive statistics need to be calculated using effect sizes to establish the importance of the relationship being tested. When comparing two groups, analysing the differences between those two means is an appropriate method according to Field *et al.* (2012). Effect sizes are “standardised” measures, implying that they analyse the differences between means and therefore do not depend on the relevance of the sample size (Steyn, 2000). Field *et al.* (2012) explains that effect sizes are objective measures utilised in determining the standardised magnitude for specified observed effects.

According to Cohen (1988), the following guidelines regarding Cohen’s d -value are utilized to interpret the results of effect sizes:

- $d = |0.2|$ small effect
- $d = |0.5|$ medium effect (noticeable with the naked eye)
- $d \geq |0.8|$ large effect (practically significant and therefore of practical importance)

Only the effect sizes for the following demographic variables (part 1 of the questionnaire) were calculated for this research study, as these variables were deemed to be of greater importance:

- Age,
- Merit rating,
- Number of years within the organisation, and
- Academic qualifications.

These descriptive statistics were computed using (SAS, 2005), to highlight the importance of the relationships being tested regarding the identified constructs.

Table 16: Effect Sizes based on Age

| Construct | Group | n | Mean | Std | p-value* (when random sampling was assumed) | d-value |
|------------------------------|-------|----|------|------|--|-------------------|
| Direct Supervisor | 1 | 45 | 1.78 | 0.6 | 0.41 | 0.2 |
| | 2 | 26 | 1.91 | 0.65 | | |
| Individual Determinants | 1 | 45 | 2.89 | 0.69 | 0.44 | 0.18 |
| | 2 | 26 | 2.77 | 0.65 | | |
| Organisational Leadership | 1 | 45 | 3.04 | 0.58 | 0.72 | 0.09 |
| | 2 | 26 | 2.99 | 0.62 | | |
| Structural Determinants | 1 | 45 | 2.4 | 0.55 | 0.3 | 0.24 |
| | 2 | 26 | 2.26 | 0.47 | | |
| Diversity and Transformation | 1 | 45 | 2.93 | 0.93 | 0.0005* | 0.91 ^Δ |
| | 2 | 26 | 2.07 | 0.93 | | |
| Decision Making Authority | 1 | 45 | 2.83 | 0.71 | 0.59 | 0.12 |
| | 2 | 26 | 2.75 | 0.58 | | |
| Remuneration | 1 | 45 | 2.44 | 0.78 | 0.44 | 0.17 |
| | 2 | 26 | 2.31 | 0.67 | | |
| Resignation Intention | 1 | 45 | 2.85 | 0.81 | 0.096 | 0.39 |
| | 2 | 26 | 2.53 | 0.73 | | |

Group 1 = 47 years and below, Group 2 = 48 years and above

n = number of respondents

Std = Standard Deviation

* Statistically significant on a 0.05 level according to T-Test results for independent groups

^Δ Practically significant ($d \geq 0.80$)

As can be seen from Table 16, there were a practically significant ($d = 0.91$) difference between group 1 and group 2 respondents regarding diversity and transformation within the organisation meaning that group 1 (mean = 2.93) respondents differ from the perception of group 2 (mean = 2.07) respondents for the item; insufficient progress has been made regarding diversity and transformation within the organisation.

Table 17: Effect Sizes based on Merit Rating

| Construct | Group | n | Mean | Std | p-value (when random sampling was assumed) | d-value |
|------------------------------|-------|----|------|------|---|---------|
| Direct Supervisor | 1 | 56 | 1.84 | 0.65 | 0.65 | 0.10 |
| | 2 | 14 | 1.78 | 0.39 | | |
| Individual Determinants | 1 | 56 | 2.9 | 0.65 | 0.54 | 0.18 |
| | 2 | 14 | 2.78 | 0.63 | | |
| Organisational Leadership | 1 | 56 | 3.04 | 0.58 | 0.66 | 0.13 |
| | 2 | 14 | 2.96 | 0.64 | | |
| Structural Determinants | 1 | 56 | 2.38 | 0.52 | 0.78 | 0.07 |
| | 2 | 14 | 2.34 | 0.39 | | |
| Diversity and Transformation | 1 | 56 | 2.66 | 1.05 | 0.43 | 0.22 |
| | 2 | 14 | 2.42 | 0.93 | | |
| Decision Making Authority | 1 | 56 | 2.86 | 0.57 | 0.44 | 0.22 |
| | 2 | 14 | 2.67 | 0.84 | | |
| Remuneration | 1 | 56 | 2.39 | 0.76 | 0.87 | 0.05 |
| | 2 | 14 | 2.35 | 0.75 | | |
| Resignation Intention | 1 | 56 | 2.75 | 0.76 | 0.91 | 0.03 |
| | 2 | 14 | 2.78 | 0.84 | | |

Group 1 = X, D, and N, Group 2 = F, and E. (Where: X = Non-Performer, D = Developer, N = Newly Appointed, F = Full Performer, and E = Exceptional Performer)

n = number of respondents

Std = Standard Deviation

Table 18: Effect Sizes based on the Number of Years within the Organisation

| Construct | Group | n | Mean | Std | p-value (when random sampling was assumed) | d-value |
|------------------------------|-------|----|------|------|---|---------|
| Direct Supervisor | 1 | 23 | 1.8 | 0.62 | 0.82 | 0.06 |
| | 2 | 47 | 1.84 | 0.62 | | |
| Individual Determinants | 1 | 23 | 2.75 | 0.74 | 0.33 | 0.24 |
| | 2 | 47 | 2.92 | 0.64 | | |
| Organisational Leadership | 1 | 23 | 3.03 | 0.64 | 0.97 | 0.01 |
| | 2 | 47 | 3.03 | 0.57 | | |
| Structural Determinants | 1 | 23 | 2.35 | 0.61 | 0.95 | 0.02 |
| | 2 | 47 | 2.35 | 0.48 | | |
| Diversity and Transformation | 1 | 23 | 2.56 | 1.03 | 0.72 | 0.09 |
| | 2 | 47 | 2.65 | 1.02 | | |
| Decision Making Authority | 1 | 23 | 2.8 | 0.79 | 0.94 | 0.02 |
| | 2 | 47 | 2.81 | 0.6 | | |
| Remuneration | 1 | 23 | 2.48 | 0.73 | 0.54 | 0.15 |
| | 2 | 47 | 2.36 | 0.76 | | |
| Resignation Intention | 1 | 23 | 2.69 | 0.9 | 0.78 | 0.07 |
| | 2 | 47 | 2.75 | 0.75 | | |

Group 1 = 9 years and less, Group 2 = 10 years and above

n = number of respondents

Std = Standard Deviation

Table 19: Effect Sizes based on Qualification

| Construct | Group | n | Mean | Std | p-value (when random sampling was assumed) | d-value |
|------------------------------|-------|----|------|------|---|---------|
| Direct Supervisor | 1 | 35 | 1.88 | 0.66 | 0.46 | 0.16 |
| | 2 | 35 | 1.77 | 0.55 | | |
| Individual Determinants | 1 | 35 | 2.79 | 0.71 | 0.4 | 0.19 |
| | 2 | 35 | 2.92 | 0.63 | | |
| Organisational Leadership | 1 | 35 | 3.01 | 0.53 | 0.76 | 0.07 |
| | 2 | 35 | 3.05 | 0.65 | | |
| Structural Determinants | 1 | 35 | 2.42 | 0.58 | 0.29 | 0.23 |
| | 2 | 35 | 2.29 | 0.45 | | |
| Diversity and Transformation | 1 | 35 | 2.51 | 1.01 | 0.29 | 0.25 |
| | 2 | 35 | 2.77 | 1 | | |
| Decision Making Authority | 1 | 35 | 2.75 | 0.73 | 0.54 | 0.14 |
| | 2 | 35 | 2.85 | 0.61 | | |
| Remuneration | 1 | 35 | 2.51 | 0.78 | 0.2 | 0.29 |
| | 2 | 35 | 2.28 | 0.71 | | |
| Resignation Intention | 1 | 35 | 2.65 | 0.8 | 0.33 | 0.23 |
| | 2 | 35 | 2.84 | 0.78 | | |

Group 1 = Bachelor's Degree and lower, Group 2 = post Graduate degree and above

n = number of respondents

Std = Standard Deviation

From Tables 17 to 19 above, it is evident that there were no differences of any practical significance between the other construct's regarding merit rating, number of years in the organisation, as well as qualification, implying that these mentioned demographic variables do not influence employee resignation within the study population.

3.7 CONCLUSION

Based on the above data, the reliability of the survey instrument is found to be acceptable as values obtained for the Cronbach Alpha coefficient are all above 0.5.

Furthermore, utilising the confirmatory factor analysis by means the data reduction methodology (SAS, 2015), the validity of the questionnaire was found to be acceptable,

therefore implying that the predefined constructs developed by the author were adequate for testing purposes.

The mean values obtained infer that “organisational leadership” was the construct with the highest recorded mean values and “direct supervisor” was the construct with the lowest recorded mean value.

Pearson’s correlation coefficient found that there is a medium correlation and above ($r = 0.3$ or more) regarding, Individual Determinants, Decision Making Authority, Organisational Leadership, and Structural Determinants, when compared against the Resignation Intention construct.

Effect sizes for various demographic types were evaluated, and only the “Diversity and Transformation” construct was found to be of practical significance amongst employees younger than 47 years old, as compared to employees older than 47 years old within the organisation.

CHAPTER 4: CONCLUSIONS AND RECOMMENDATIONS

4.1 INTRODUCTION

This aim of this research study was to investigate the factors leading to employee resignations within the professional services organisations being evaluated. In chapter 2, a literature study was conducted to identify the factors about employee resignations as well as to identify the impact that employee resignations have on an organisation, effectively describing the problem statement. Chapter 3 then set out to explain the methodology which was implemented in this study to test the researched factors (and construct's) within the professional services organisation being evaluated to gain insight into employee resignations. This was accomplished using a quantitative survey instrument which was distributed to the target population within the organisation, and after that statistical analysis was then carried out, and the results of those findings are discussed in this chapter.

This chapter aims to analyse therefore the findings highlighted in this research study to clarify the defined primary and secondary objectives listed in chapter 1. Recommendations will also be put forth and are therefore listed in this chapter to assist the current organisation as well as future researchers in trying to resolve the current issues with follow up research studies.

4.1 CONCLUSIONS

The empirical study conducted in chapter forms the basis of the results analysed within the said professional services organisation. The aim of the empirical research was to gain insight into the perceptions of current employees to understand what constructs contributed to their intention to resign from the organisation. These constructs together with their correlations to “resignation intention”, as well the effect size analysis for respective demographic groups will, therefore, be discussed.

4.1.1 Factors that contribute to employee resignations based on employee perceptions

Based on the data from chapter 3, the **construct's means** with the most significant influence on employee's intention to resign are listed, ranked from highest to lowest (see section 3.6.2,

Table 14), implying that the construct with the highest rating is what employees perceive to be the most important construct within the organisation

From these results, it is clear that “Organisational Leadership” with a mean value of 3.02 is found to be the most important construct regarding employee resignations within the organisation, as perceived by employees. Following closely after is “Individual Determinants” with a mean value of 2.85 and after that “Decision Making Authority” with a mean value of 2.8. The lowest or least important issue concerning employee resignations resonates with that of the “direct supervisor”, implying that this construct is adequately managed within the organisation and is not a perceived issue regarding employee resignations within the organisation, as compared to the others.

Regarding “Organisational Leadership”; the following four items form part of this construct:

- I feel there is a lack of trust and confidence in organisational leadership about the stewardship of the organisation.
- I feel that organisational leader act unfairly.
- I feel that there is a lack of transparency and communication during times of significant organisational change, i.e. informational injustice.
- I feel that organisational leadership promote a sense of openness and fairness and act in the best interest of the organisation.

Organisational leaders are the actual stewards of the organisation, and results of this nature are somewhat troubling because to move the organisation in the direction required by organisational leaders to meet strategic objectives, support is required from employees within that organisation. There could be various reasons as to why this response is received, but based on the factors constituting the “organisational leadership” construct, something needs to be done in these domains to actively correct the current perception of employees within the organisation.

4.1.2 Factors with linear correlation to “employee-resignation” when compared to other constructs

Based on the data stemming from **Pearson’s correlation coefficients (r)**, the following constructs:

- Individual Determinants,
- Decision Making Authority,
- Organisational Leadership, and
- Structural Determinants.

All obtain values greater than $r = 0.3$ (medium effect) for the calculated Pearson’s correlation coefficient regarding the construct; “resignation intention”. This, therefore, implies that these constructs have a direct linear correlation to employee resignation with a medium practical effect and therefore need to be managed or addressed.

4.1.3 Factors of practical significance to demographic groups, based on employee perceptions

Based on the results contained in chapter 3 for **Cohen’s effect sizes (d)**, there is very little practical significance observed based on the constructs concerning:

- Merit Rating,
- Number of years with the organisation, or
- Academic Qualification.

The one important aspect noticed is in respect to the age of employees, within the demographic feedback, regarding the “Diversity and transformation” construct.

From Table 15 in section 3.4.4, it is evident that “Diversity and Transformation” construct is of more practical significance amongst employees that are 47 years and younger, as compared to employees that 48 years and older. All other results yield that there were no differences of any practical importance on construct’s regarding demographic variables, such as “Merit Rating”, “Number of years within the organisation”, and “Academic Qualification”. Focus within the organisation to limit employee resignations should, therefore, be to actively work on promoting diversity and transformation, more especially for employees under the

age of 47 years old. Being a professional services organisation operating within the borders of South Africa, this is not only a requirement of current employees but also a legal requirement to ensure that previously disadvantaged groups are given fair opportunity as well as being significantly represented on management levels within the organisation.

4.2 RECOMMENDATIONS

4.2.1 Factors that contribute to employee resignations based on employee perceptions

Based on the conclusions above for the highest ranked **construct means**, the following recommendations are therefore proposed by the author regarding “Organisation Leadership”:

- Given that employees feel that organisational leader’s act unfairly and there seems to be a lack of trust and confidence concerning organisational leaders regarding the stewardship of the organisation as well a lack of communication during times of significant change. Organisational leaders should, therefore, display strong leadership characteristics and tackle the problem head-on. This can be achieved by holding interactive sessions with employees, one on one sessions will not be feasible, but classroom activities can be utilised to target groups of employees to address the concerns within the organisation. This can be achieved by a simple question and answer platform, affording employees an opportunity to understand why certain decisions have been taken and also giving organisational leaders a chance to understand why they are perceived negatively in these regards. For those employees who are not brave enough to voice their concerns in open platforms, an opportunity to write down concerns and submit to organisational leadership should be allowed. This ensures that all individuals within the organisation have a choice to state their concerns and provide feedback as to why organisational leaders are perceived negatively. A final list of concerns should, therefore, be created and regular feedback is given to employees on how actions are resolved, taking into consideration that not all concerns or issues can be resolved over short periods. The approach should be to prioritise the concerns and after that address them appropriately. The mere ability to allow employees the opportunity to talk and voice opinions directly to organisational

leaders on such a platform will show that this is a step in the right direction and will hopefully re-instil some loyalty towards organisational leaders as well as to the organisation.

- Given that the organisation has the resources to do so, another approach could be to allow employees to raise concerns or ask questions directly to organisational leaders via an online platform, this platform should allow for anonymity to be guaranteed as true concerns or criticism may not be raised if employees feel they will be targeted for raising valid points or objection.
- Further research, perhaps another mini-dissertation could specifically tackle the topic of organisational leadership in the workplace, and how countermeasures can be put in place to address employee concerns or reservations regarding organisational leaders.

4.2.2 Factors with linear correlation to employee resignation based on employee perceptions

Based on the conclusions above regarding **Pearson's correlation coefficients (r)**, the following recommendations are proposed by the author about the correlation of constructs regarding resignation intention:

- Given the many items about the listed construct's which have a medium practical correlation effect on employees regarding employee resignations (i.e. "Individual Determinants", "Decision Making Authority", "Organisational Leadership", and "Structural Determinants"), it is difficult to pin down a suitable solution for this issue. Notice should, however, be taken that these construct directly correlates with an employee's intention to resign from an organisation and therefore the author's recommendation will be to utilize the findings of this mini-dissertation; "Factors leading to employee resignation within a professional services organisation", as a basis for a new research study to be conducted to delve deeper into the possible retention mechanisms with regard to the identified constructs.

4.2.3 Factors of practical significance to demographic groups, based on employee perceptions

From the conclusions stated regarding **Cohen's *d* effect sizes**, the matter of most practical significance was that of "Diversity and Transformation", in that employees younger than 47 years old feel that there is insufficient progress being made within the organisation regarding this aspect.

The following recommendations are therefore put forth by the author in this regard:

- Based on the National Development Plan (NDP) of South Africa; a legal framework seeking to give fair and equal opportunity to previously disadvantaged groups, especially black African women. Organisational leaders should pro-actively begin to identify promising candidates to ensure positions at management level can be occupied in the immediate to near future to ensure that the organisation meets legislative obligations as well as employee concerns.
- Internal broad-based black economic equity (BBBEE) candidates should be given first preference for these roles, and should there be certain deficiencies, suitable guidance and training should be offered to these individuals to fast track their development.
- Outsourcing of BBBEE candidates (external to the organisation) for respective roles should be considered, only if internal candidates cannot be found.
- The efforts to meet legislative requirements regarding BBBEE should also be frequently communicated to the employees within the organisation, ensuring that the process is transparent as well as to keep the organisation adequately aligned in respect to progress made in these areas.
- These proposals will, therefore, assist in preventing employees that hold this requirement in high regard, from resigning from the organisation.

4.3 EVALUATION OF THE RESEARCH STUDY

This research study set out to determine the factors leading to employee resignation within a professional services organisation to address the primary and secondary research objectives. As per Chapter 1, section 1.4, these objectives are:

4.3.1 Primary research objective

- What factors (or construct's) relating to employee resignations are the most significant within the said professional services organisation.

4.3.2 Secondary research objective

The secondary objective for this study is to:

- Establish which demographics (e.g. age, gender, and qualification) was most influenced regarding factors about employee resignations within the said professional services organisation.

Regarding the primary research objective, the construct that has been ranked the highest amongst the study population is "Organisational Leadership". Regarding the secondary research objective, the construct with the biggest influence on a specific demographic group was that of "Diversity and Transformation", which was perceived amongst the employees within the organisation that are 47 years and younger.

Based on the empirical study conducted in chapter 3 of this research study and the conclusions as part of this chapter (chapter 4), it can be safely concluded that all research objectives for this research study have been met.

4.4 LIMITATIONS OF THE RESEARCH STUDY

Due to the time and resources allowed for the completion of this mini-dissertation, this research study was limited to the perceptions of employees within one professional services organisation.

4.5 PROPOSAL FOR FUTURE RESEARCH

The basis of this research study was to review and understand the various literature about employee resignations within professional services organisations, and in doing so, identifying through thorough analysis the pertinent factors contributing to employee resignations within the professional services organisation being evaluated. The proposal for future research would, therefore, be to utilise the findings of this research to form the basis for further research to be conducted on the topic of:

- Possible retention strategies for employees within a professional services organisation.

4.6 OVERALL CONCLUSION

This research study intended to identify the pertinent factors leading to employee resignations within a professional services organisation. Literature was analysed, and a tailored questionnaire was developed and distributed to ascertain relevant feedback from the organisation. Results were analysed, and conclusions were drawn stemming a detailed analysis as conducted in chapter 3. The research highlights that the most pertinent construct regarding employee resignations was “Organisational Leadership”. Insight was also drawn into the relevant demographic groups where a significant difference amongst employees younger than 47 years old felt that there was insufficient progress been made regarding diversity and transformation within the organisation.

Possible recommendations were after that put forth by the author to address the findings.

On completion of the research study, it is evident that both the primary and secondary objectives as set out at the start of the research were adequately addressed.

And lastly, in the interest of future research, initiatives were also stated to circumvent the issues identified by this research study.

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APPENDIX A – INFORMED CONSENT FORM (PARTICIPANT)

Dear Participant:

You are invited to participate in an academic research study conducted by Ajay Lutchman, an MBA student from the North West University.

The purpose of this study is to gather valuable information from the perspective of key stakeholders (employees) within **Sasol Group Technology** in respect to the topic: **“Factors leading to employee resignations within a professional services organisation”**.

Kindly note the following:

This study is **imperative** to distinguish the **core factors** leading to employee resignations within the organisation.

It is therefore encouraged that all participants answer all questions **honestly** as results will be combined and portrayed in an aggregated manner, ensuring anonymity. The demographical information will only be used to validate the sample for the research.

The researcher will issue the combined results of the study upon request from the participant after completion of the study.

- The survey will take approximately **10 minutes** to complete.
- All answers will be treated as **confidential**, as only aggregated results will be shared for this study.
- Participation is completely **voluntary**.
- The survey comprises of **two sections**, **Section A contains demographic questions** and **Section B contains statements which influence an employee’s intention to resign on a 4-point Likert scale**, where participants must select the most appropriate option.

Please indicate that you have read and understood the information provided and thereby give your consent to participate in the study.

Yes ☐

No ☐

APPENDIX B – QUESTIONNAIRE

Self-Completion Questionnaire:

Part 1: Demographical Information

In the following section, you will find a list of personal employee questions.

Instructions: Please select **one** answer per statement and answer **all** the statements, if you choose “other”, please motivate your response.

1.1 Age

- ☐ 31 and younger
- ☐ 32 – 47
- ☐ 48 – 55
- ☐ 56 – 65
- ☐ Older than 65

1.2 Gender

- ☐ Male
- ☐ Female

1.3 Highest Academic Qualification

- ☐ Grade 12 or lower
- ☐ Certificate or Diploma
- ☐ Bachelor’s Degree
- ☐ Post Graduate Degree
- ☐ Other, please specify

1.4 Marital Status

- ☐ Single
- ☐ Long term relationship
- ☐ Married
- ☐ Divorced
- ☐ Widowed

1.5 Do you have children?

- ☐ Yes
- ☐ No

1.6 What role category are you currently in?

- ☐ Operations
- ☐ Process Implementation
- ☐ Process Optimisation
- ☐ Execution
- ☐ Optimization
- ☐ Specialisation
- ☐ Expertise
- ☐ Leadership
- ☐ Other, please specify

1.7 Number of years in the organisation?

- ☐ Less than two years
- ☐ 3 – 5 Years
- ☐ 6 – 9 Years
- ☐ More than ten years

1.8 Last merit rating in the organisation?

- ☐ X
- ☐ D
- ☐ F
- ☐ E
- ☐ N

Part 2: Factors leading to employee resignations within a professional services organisation.

In the following table, you will find a list of statements contributing to an employee's intention to resign from a professional services organisation.

Keeping these statements in mind, please note that the scale gives you the opportunity to indicate if you:

1. "Strongly Disagree",
2. "Disagree",
3. "Agree", and
4. "Strongly Agree".

Instructions: Please select **one** answer per statement and answer **all** the statements.

| STATEMENTS | 1. Strongly Disagree | 2. Disagree | 3. Agree | 4. Strongly Agree |
|--|----------------------|-------------|----------|-------------------|
| 1.1 I have considered resigning from my organisation in the past. | | | | |
| 1.2 I currently consider resigning from my organisation. | | | | |
| 1.3 I feel I have insufficient work-life balance. | | | | |
| 1.4 My current job (day to day activities) does not motivate me. | | | | |
| 1.5 I feel there is improper utilisation of my skills and abilities in my current job. | | | | |
| 1.6 I feel that the organisational culture is not in line with my personal beliefs. | | | | |
| 1.7 I feel my co-workers are not courteous towards my personal space. | | | | |
| | | | | |
| 2.1 I feel I am insufficiently remunerated for my current job. | | | | |
| 2.2 I feel there is insufficient opportunity in respect to training and development within the organisation. | | | | |
| 2.3 I feel there is insufficient career growth opportunities within the organisation. | | | | |
| 2.4 I feel there is insufficient support from my co-workers and teams to perform my job effectively. | | | | |
| 2.5 I feel there is a lack of ability to act autonomously within the organisation. | | | | |
| 2.6 I feel there is a lack of decision making authority within the organisation. | | | | |
| 2.7 I feel there is insufficient progress being made regarding diversity and transformation within the organisation. | | | | |
| 2.8 I feel that the individual performance rating (merit) process is unfair within the organisation. | | | | |
| 2.9 I feel there is a lack of innovative processes within the organisation. | | | | |
| 2.10 I feel there is insufficient trust, openness, and transparency within the organisation. | | | | |
| 2.11 I feel there is insufficient recognition given within the organisation. | | | | |

| | | | | |
|---|--|--|--|--|
| 2.12 I feel there is insufficient opportunity in regard to coaching and mentoring within the organisation. | | | | |
| | | | | |
| 3.1 I feel my direct supervisor is abusive towards me. | | | | |
| 3.2 I feel my direct supervisor sets unrealistic goals for me. | | | | |
| 3.3 I feel there is a lack of support from my direct supervisor. | | | | |
| 3.4 I feel my direct supervisor is unethical. | | | | |
| 3.5 I feel my direct supervisor micromanages me. | | | | |
| 3.6 I feel my direct supervisor performs their role exceptionally. | | | | |
| | | | | |
| 4.1 I feel there is a lack of trust and confidence in organisational leadership with regard to the stewardship of the organisation. | | | | |
| 4.2 I feel that organisational leaders act unfairly. | | | | |
| 4.3 I feel that there is a lack of transparency and communication during times of significant organisational change, i.e. informational injustice. | | | | |
| 4.4 I feel that organisational leadership is lacking in respect to their Corporate Social Responsibility (CSR), i.e. helping communities in which they serve. | | | | |
| 4.5 I feel that organisational leadership promote a sense of openness and fairness and act in the best interest of the organisation. | | | | |

APPENDIX C – CONSTRUCT’S AND ASSOCIATED QUESTIONS

| No. | Construct | Number of Questions | Associated Questions |
|-----|---------------------------|---------------------|---|
| 1 | Direct Supervisor | 6 | <p>Q3.1: I feel my direct supervisor is abusive towards me.</p> <p>Q3.2: I feel my direct supervisor sets unrealistic goals for me.</p> <p>Q3.3: I feel there is a lack of support from my direct supervisor.</p> <p>Q3.4: I feel my direct supervisor is unethical.</p> <p>Q3.5: I feel my direct supervisor micromanages me.</p> <p>Q3.6: I feel my direct supervisor performs their role exceptionally.</p> |
| 2 | Individualistic Factors | 6 | <p>Q1.4: My current job (day to day activities) does not motivate me.</p> <p>Q1.5: I feel there is improper utilisation of my skills and abilities in my current job.</p> <p>Q1.6: I feel that the organisational culture is not in line with my personal beliefs.</p> <p>Q2.3: I feel there are insufficient career growth opportunities within the organisation.</p> <p>Q2.9: I feel there is a lack of innovative processes within the organisation.</p> <p>Q2.10: I feel there is insufficient trust, openness, and transparency within the organisation.</p> |
| 3 | Organisational Leadership | 4 | <p>Q4.1: I feel there is a lack of trust and confidence in organisational leadership with regard to the stewardship of the organisation.</p> <p>Q4.2: I feel that organisational leaders act unfairly.</p> <p>Q4.3: I feel that there is a lack of transparency and communication during times of significant organisational change, i.e. informational injustice.</p> <p>Q4.5: I feel that organisational leadership promote a sense of openness and fairness and act in the best interest of the organisation.</p> |
| 4 | Organisational Factors | 5 | <p>Q1.7: I feel my co-workers are not courteous towards my personal space.</p> <p>Q2.2: I feel there is insufficient opportunity in respect to training and development within the organisation.</p> <p>Q2.4: I feel there is insufficient support from my co-workers and teams to perform my job effectively.</p> <p>Q2.11: I feel there is insufficient recognition given within the organisation.</p> <p>Q2.12: I feel there is insufficient opportunity in regard to coaching and mentoring within the organisation.</p> |

| | | | |
|---|------------------------------|---|--|
| 5 | Diversity and Transformation | 1 | Q2.7: I feel there is insufficient progress being made in regard to diversity and transformation within the organisation. |
| 6 | Decision Making Authority | 2 | Q2.5: I feel there is a lack of ability to act autonomously within the organisation. Q2.6: I feel there is a lack of decision making authority within the organisation. |
| 7 | Remuneration | 1 | Q2.1: I feel I am insufficiently remunerated for my current job. |
| 8 | Resignation Intention | 2 | Q1.1: I have considered resigning from my organisation in the past. Q1.2: I currently consider resigning from my organisation. |

APPENDIX D – CODING OF QUESTIONNAIRE

| PART 1 | | Coding | Description |
|--------|---------------------------------------|--------|------------------------|
| D1 | Age | 1 | 31 and younger |
| | | 2 | 32 – 47 |
| | | 3 | 48 – 55 |
| | | 4 | 56 – 65 |
| | | 5 | Older than 65 |
| D2 | Gender | 1 | Male |
| | | 2 | Female |
| D3 | Highest Academic Qualification | 1 | Grade 12 or lower |
| | | 2 | Certificate or Diploma |
| | | 3 | Bachelor's Degree |
| | | 4 | Post Graduate Degree |
| | | 5 | Other |
| D4 | Marital Status | 1 | Single |
| | | 2 | Long term relationship |
| | | 3 | Married |
| | | 4 | Divorced |
| | | 5 | Widowed |
| D5 | Role category | 1 | Operations |
| | | 2 | Process Implementation |
| | | 3 | Process Optimisation |
| | | 4 | Execution |
| | | 5 | Optimization |
| | | 6 | Specialisation |
| | | 7 | Expertise |
| | | 8 | Leadership |
| | | 9 | Other |
| D6 | Number of years in the organisation | 1 | Less than two years |
| | | 2 | 3 – 5 Years |
| | | 3 | 6 – 9 Years |
| | | 4 | More than ten years |
| D7 | Last merit rating in the organisation | 1 | X |
| | | 2 | D |
| | | 3 | F |
| | | 4 | E |
| | | 5 | N |

| PART 2 | Description | Coding |
|---------------------------------------|---|---------------|
| Q1.1 to 4.5 (30 question in total) | Factors leading to employee resignations within a professional services organisation. | 1 to 4 |

| PART 2 - Implemented on a four-point Likert Scale | |
|--|---------------------|
| 1 | "Strongly Disagree" |
| 2 | "Disagree" |
| 3 | "Agree" |
| 4 | "Strongly Agree" |

APPENDIX E – LANGUAGE EDITOR’S CERTIFICATE



Dynamic Language &
Translation Specialists

Antoinette Bisschoff
71 Esselen Street,
Potchefstroom
Tel: 018 293 3046
Cell: 082 878 5183
Language@dlts.co.za
CC No: 1995/017794/23

Thursday, 22 November 2018

To whom it may concern

Re: Confirmation of language edit, typography and technical precision

The MBA dissertation **Factors leading to employee resignation within a professional service organisation by A Lutchman (29733529)** was edited for language, typography and technical precision. The referencing and sources were checked as per NWU referencing guidelines (Harvard Style).

Final, last minute corrections remain the responsibility of the author.

Antoinette Bisschoff

BA Languages (UPE – now NMU); MBA (PU for CHE – now NWU); Translation and Linguistic Studies (NWU)

Officially approved language editor of the NWU since 1998
Member of SA Translators Institute (no. 100181)

Precision ... to the last letter