

**AN INVESTIGATION INTO THE EXTENT TO WHICH MOTIVATION IS BEING
USED AS A RETENTION STRATEGY**

IN

NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY

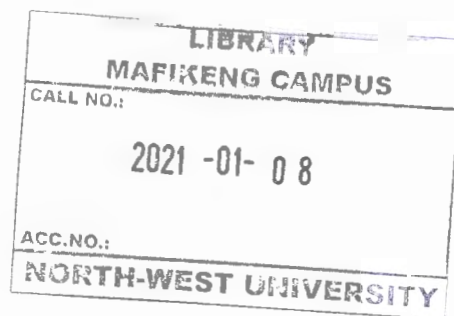
BY

**MOKGELE ERNEST MOJAKI
(16340620)**

A mini-dissertation submitted in partial fulfilment of the requirements for the Master's Degree in Business Administration presented to the Graduate School of Business and Government Leadership, Faculty of Commerce and Administration, Mafikeng Campus of the North-West University.

Supervisor: Prof O C Miruka

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DECLARATION

I, Mokgele Ernest Mojaki, declare that the practical research project for the Master's Degree in Business Administration at the Graduate School of Business and Government Leadership, Faculty of Commerce and Administration, Mafikeng Campus of the North-West University hereby submitted has not previously been submitted by me at this or any university, that it is my own work in design and execution and that all materials contained here have duly been acknowledged.



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Lastly, to Almighty God for giving me the strength and courage to complete this dissertation. It was not easy but through prayer it has been possible.

ABSTRACT

Retention of skilled and qualified employees has become critical issue to sustainable and effective service delivery among organisations in the ever changing world of work. The phenomenon of globalisation has led to mobility of skilled individual and has dramatically changed human resource practice in the area of attracting skilled employees into the organisation and most importantly, retaining them. Given the high costs of turnover and its destructive tendency, it has become imperative for managers to identify retention variables that constantly motivate and influence the decision of valuable employees to have a longer tenure in an organisation.

The study looked at the extent to which motivational variables were used by managers in Ngaka Modir Molema District Municipality to influence retention of key employees. Participants were selected from all levels of employees of Ngaka Modiri Molema District Municipality.



Two research designs were used in the research project, namely descriptive and exploratory research designs. Descriptive research is a method used in quantitative while exploratory is used in qualitative research.

The two methods complement each other since through descriptive, the research described the current situation in as far as the use of motivational factors for retention of employees is concerned, where qualitative research design was applied.

The researcher used exploratory research design to explore types of motivational variables to be implemented as means of employee retention in the workplace.

The study used a probability sampling procedure, where a simple random sampling was used. In simple random sampling, each population elements has an equal chance of being selected into the sample. The total sample of the study comprised 180 respondents. A self-administered questionnaire, measured on a Likert Scale was used to collect data from respondents.

The result showed that employees in Ngaka Modiri Molema District Municipality are motivated to a very large extent by a combination of intrinsic and extrinsic factors. Motivational variables such as training, education and development, career growth and promotion, management style, compensation and other financial packages, and recognition and reward for good performance ranked amongst the most important variables that motivate employees to remain in an organisation.

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CHAPTER 1: INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 Introduction

Employee retention issues are emerging as the most critical workforce management challenges of the immediate future in both the public and private sector institutions. Studies have shown that successful organizations will in future be those which will adapt their organizational standards to the realities and demands of the current work environment where longevity and success depend upon innovation, creativity and flexibility. In actual essence the changes in the labour market will have to reflect a diverse population comprised of individuals whose motivations, beliefs and value structures differ vastly from the past and from one another.

According to Kinnear & Sutherland, (2001:15) the South African labour market suffers from a shortage of skilled labour and a continuous brain drain suggesting that the public sector is under pressure to retain available talent. The retention of talent has however become a major challenge to human resource practitioners since, according to Harris (2007: 2), talented job candidates in the global skills market have the luxury of choice. This affects local spheres of government since they have to compete not only with one another but with municipalities abroad.

The situation has tremendously increased competition for talent in South Africa with many municipalities going to great lengths to retain their best employees.

Competition has therefore put skilled employees who are already in short supply under pressure as they are being attracted by more than one organisation at a time with various kinds of incentives. According to Doke (2008: 26), many newly qualified South African graduates are attracted to foreign countries with the promise of better remuneration, wider scope and more opportunities, leaving municipalities hard pressed to fill their vacancies with the right candidates.



The changing labour market has brought about an unprecedented labour turnover. According to Cappelli (2000: 103), strategic poaching of competitor organisations' key employees has become an acceptable practice among employers nowadays. Friedman, Hatch and Walker (1998) as cited in Aron (2001: 15) report that the notion of a permanent employee has become a thing of the past. In the changing world of work; Lee (2001:8) argues that the psychological contract between employer and employee has changed fundamentally and long-term commitment to an organisation is no longer guaranteed by either party. Retention of talented employees continues to be a big problem for a large number of employers thereby constantly challenging human resource practitioners to formulate innovative strategies that will not only attract talent, but equally retain them in order for these employees to help in achieving organisational goals and objectives.

The issue of employee retention in municipalities has become so dynamic that managers have to appraise and re-appraise their motivational strategies on an on-going basis.

According to Czakan (2005: 8), motivational variables used to attain retention in the past may no longer be appropriate to motivate talented employees to remain, thereby increasing the rate of turnover.

The problem of employee turnover is not peculiar to the public sector alone. Mengel (2001: 32) reports that more than half of private sector municipalities in South Africa carried over vacant positions from 1998 to 1999 in respect of information technology (IT) professionals. The IT professionals, after acquiring some work experience, leave South Africa for more lucrative jobs overseas. The reasons often given by these professionals for quitting their jobs include poor working conditions, lack of career growth, poor salary incentives and general lack of motivation from employers. These are motivational issues which can be managed by individual municipalities in order to reduce the high rate of employee turnover which, according to Schreuder and Theron (2001: 28) has become prevalent in both public and private sector with the attendant costs.

High employee turnover is costly to both the individual organisation and the national economy. Dess and Shaw (2001: 446) argue that turnover incurs significant cost, both in terms of direct costs (that is, replacement, recruitment and selection, temporary staff, management time) and indirect costs (that is, morale, pressure on remaining employees, costs of learning, product/service quality, organisational memory and the loss of social capital). All these costs are usually a feature of involuntary turnover.

Organisational managers can reduce these costs by adopting appropriate motivational strategies in order to retain competent employees, thereby reducing the turnover rate.

In order to succeed in attracting and retaining talented employees, local government have to consider not only the needs of their municipalities and those of the individuals but also the environment in which they operate. According to Schalkwijk (2000: 5), municipalities need to develop strategic reward programmes that incorporate pay and employee benefits as well as consideration for the individual employee's personal growth and development. These represent some of the personal needs and career aspirations of employees which must be considered by employers in order to retain and motivate them to help in achieving organisational goals.

Dess, Lumpkin and Eisner (2008: 119) concur that productive employees place professional development and personal enrichment (financial and otherwise) above loyalty to an organisation. These arguments are consistent with the positions of Mengel (2001: 32) and Davidson (2001: 4) who list the following critical factors regarding employee retention: career growth opportunities; learning and development; exciting and challenging work; a good boss; fair pay and benefits; and recognition for work well done. One of the challenges faced by the managers of human resources in South Africa today lies in the development and retention of competent employees.

Czakan (2005: 8) alludes to this assertion in submitting that the core of the problem remains the strategic imperative to attract and retain talented employees who will make a difference in service delivery.

Schreuder and Theron (2001: 28) contend that the retention of talented employees by employers is imperative because the organisation's competitive advantage is often dependent on the specialised knowledge and skills possessed by these employees. Given the mobility nature of talented employees, retaining them becomes a matter of concern to employers since, in the view of Arkin (2001: 28) and Buckingham (2000: 45), their leaving means a loss to the organisation of its intellectual capital or intangible assets.

The above discussion has provided a background to the problem of employee retention and turnover among public sector municipalities and the challenges posed to employers. Managers are therefore saddled with the responsibility of addressing the problem through the designing and implementation of appropriate retention strategies that are capable of reducing turnover to a manageable proportion.

1.2. Problem Statement

In today's highly competitive environment, the dynamics of talent have become a key differentiator for most organisation, business and private sector organisations alike. Municipalities must not only attract the right candidates but must also ensure their retention in order for these employees to make a difference in the realisation of organisational goals.

Hendricks (2006: 9) notes that employees with scarce skills are in great demand by the South African government and are becoming difficult to source. When these categories of employees are eventually sourced, they become even more difficult for government to retain. It is not only the government that is finding it difficult to retain highly skilled employees; private sector managers also admit that one of the most difficult aspects of their jobs is the retention of key employees in their municipalities.

It becomes problematic for municipalities when the rate of replacement rises over time especially when highly skilled employees are involved. The real challenge to HR managers therefore lies in devising ways of retaining employees in order to reduce the rate of turnover and the associated costs.



Dess (2008: 119) concurs that hiring and developing the best employee is unproductive if municipalities cannot provide the working environment and intrinsic and extrinsic rewards to retain their best and brightest. Employee retention has therefore become a practical guide for managers in order to retain their talented employees and avoid spiralling costs that are usually associated with turnover.

Indeed, retention practices have posed enormous challenges to managers considering the shortage of qualified and skilled labour force to the South African labour market. Managers in municipalities need to devise innovative means of retaining high performing employees in their pool in order to avoid frequent recruitment which is costly and time consuming.

According to Brown (2006: 2), the lack of proper retention strategies is having an adverse effect on local government, as replacing key employees is disruptive, expensive, time consuming and may even threaten the sustainability of an organisation.

The implication thereof is such that South African local government may not be able to meet service delivery plans if the phenomenon is not properly addressed. Research by P-E Corporate Services (2001: 1) estimates the rate of voluntary turnover of skilled employees in South Africa to be at 63%; involuntary turnover, 22% and others, such as death, retirement and pregnancy, at 15%. The reasons often cited for voluntary turnover by employees revolve around the inability of employers to motivate them properly to remain.

Thus, according to Ponn-kekana et al. (2005: 20), some of the reasons include a lack of promotion, insufficient pay, work overload, and some other motivation-related issues such as opportunities for training and development, job insecurity, work autonomy and a lack of recognition of good performance. In the light of such evidence, there is a need to establish the extent to which the Ngaka Modiri Molema District Municipality in the North West Province uses motivation and other factors as retention strategies to retain employees.

Such a step will help managers and decision makers in the Ngaka Modiri Molema District Municipality with the identification of reliable and sustainable retention programmes and practices that can effectively reduce turnover.

The study is therefore aimed at identifying and establishing the extent to which managers in the Ngaka Modiri Molema District Municipality are applying these motivational strategies to retain employees. In view of the foregoing, the fundamental question that is addressed by this study is:

- To what extent does motivational factors are used to influence the retention and reduction of turnover of employees in the Ngaka Modiri Molema District Municipality?

1.3. OBJECTIVES OF THE STUDY

The central objective of the study is to investigate the extent to which motivation is being used as a retention strategy in the Ngaka Modiri Molema District Municipality, North West Province. More specifically, the study aims to

- a. identify and establish the key intrinsic and extrinsic motivational variables being used by the Ngaka Modiri Molema District Municipality in retaining their employees
- b. determine the extent to which the identified intrinsic and extrinsic motivational variables are influencing employees' retention and turnover and
- c. make recommendations to management on how to effectively retain employees and reduce turnover.

1.4. ASSUMPTIONS OF THE STUDY

The research is based on the assumption that motivational factors are key contributory aspects to employee retention in an organisation.

1.5. SIGNIFICANCE OF THE STUDY

Not many empirical studies have been conducted in the past to provide managers with a sustainable remedy to the problem of retention and turnover particularly in the South African context. Therefore the outcome of the study will significantly advance the frontier of knowledge and add to the existing academic literature on retention and turnover particularly in the context of local government. The findings will also be useful in the formulation of effective retention policies and in reviewing existing ones. The results of the study will inspire other researchers to investigate further areas that might not be covered in this study.

1.6. DELIMITATION OF THE STUDY

The purpose of demarcating a study is to make it more manageable and to this end, the proposed research is limited to the Ngaka Modiri Molema District Municipality in the North West Province of South Africa.

1.7. SIZE OF THE ORGANISATION

The Ngaka Modiri Molema District Municipality has an estimated employee population of about 620 and as in other organisational settings, has a hierarchical structure (top, middle, and lower levels of management and other operational employees). This will help in identifying the various employee levels which constitute the research elements in this study.

CHAPTER 2 : LITERATURE REVIEW

2.1 Introduction

This chapter seeks to examine strategies that can be used in managing retention and turnover in public sector organisations and the various motivational factors that are applicable. Two motivational theories (Vroom, 1964 expectancy theory & Maslow, 1943 hierarchy of needs theory) as cited in Riggio (2003:193) will be reviewed in the chapter to provide a theoretical base for the study.

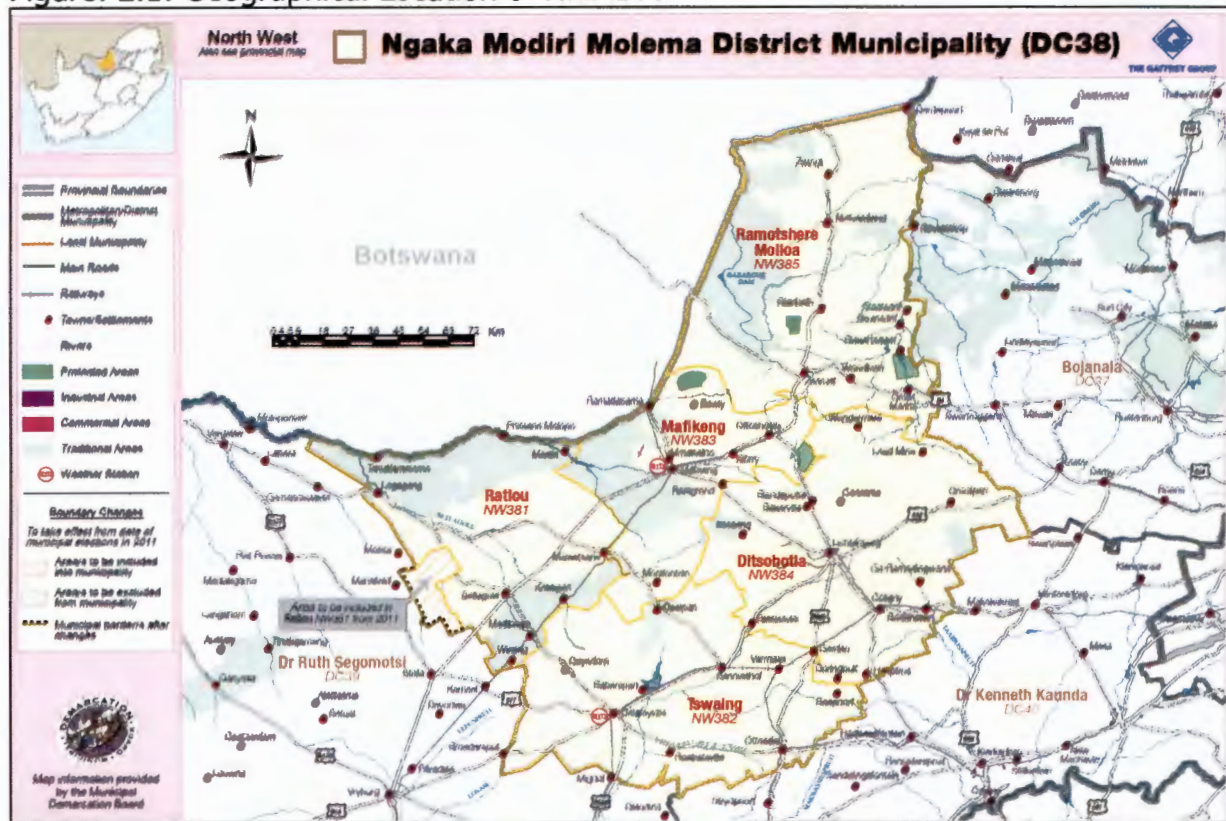
Job satisfaction/dissatisfaction as a predictor of turnover intentions is examined while the two-factor theory (Herzberg, 1959) as cited in Bassett-Jones and Lloyd (2005: 929) which is widely used as job satisfaction model is also reviewed.



2.2 Background of Ngaka Modiri Molema District Municipality

Ngaka Modiri Molema District Municipality is Located on the North Western part of the North West Province. The District Municipality covers an extent of 31039 KM, the District Municipality has a total of 2,788,844 hectares (26% of the Total number of hectares in the North West province).

Figure: 2.1: Geographical Location of NMMDM



Source: The Gaffney Group

In line with the Integrated Development Plan, the following are key priorities of NMMDM:

- ✓ Provision of water and sanitation
- ✓ Improve road infrastructure
- ✓ Local economic development and job creation
- ✓ Environmental health management
- ✓ Promote integration of services
- ✓ Promote intergovernmental coordination and relations
- ✓ And providing support to local municipalities.

In supporting the above mentioned IDP key priorities, Ngaka Modori Molema District Municipality consists of the following departments:

- ✓ Business process support
- ✓ Financial Management
- ✓ Corporate Resource Support
- ✓ Growth and Economic Development
- ✓ Infrastructure Development and Maintenance
- ✓ Municipal Health Services and Safety

Within the 6 departments, the district municipality employees around 620 employees which consists of full-time employees, contract workers, internships, and political appointees who are instrumental in ensuring that the key priorities are achieved.

2.3 Management of retention and turnover by public sector organisations

Zineldin (2000: 36) defines retention as an obligation to continue to do business or exchange with a particular company on an on-going basis. Retention is a voluntary move by an organisation to create an environment which engages employees for a long term (Chaminade, 2007:91). The main purpose of retention is to prevent the loss of competent employees from leaving the organisation as this could have adverse effect on productivity and profitability. However, retention practices have become a daunting and highly challenging task for managers and Human Resources Practitioners in a hostile economic environment.

Several studies have indicated that retention is driven by several key factors which ought to be managed congruently such as organizational culture, strategy, pay and benefits, and career development systems.

2.3.1 An overview of employee retention strategy

Retention strategies should be viewed by top management as part of its strategic responsibility given the realisation that the long-term loyalty of highly skilled employees to an organisation is no longer the norm considering the high mobility rate of skilled employees. This is as a result of the myriad of job opportunities that are open to them. Top management and HR practitioners should therefore have a long-term plan with the realisation and the acceptance of the changing labour market for highly skilled employees as the cornerstone of all retention strategies.

While the government is enacting legislations that are aimed at promoting good retention practices in its departments, local municipalities and private sector organisations are also devising retention strategies that will not only attract critical skills and high performers, but also retain them for optimal utilisation.

Branch (1998: 104) contends that the objective of retention strategies should be to identify and retain committed employees for as long as is mutually profitable to the organisation and the employee.

It is widely accepted that skilled employees contribute greatly to organisational success and indeed make the difference in service delivery and overall organisational performance. Good HR practice therefore demands that organisations put in place retention policies that will attract and encourage talent to remain in an organisation.

Bendapuli and Leone (2001: 106) suggest that a range of systems should be put in place to ensure that, in the event of high performing employees leaving, especially those who have strong relationships with customers/clients, the loyalty and patronage of the customer are kept. Capelli (2000: 106) offers other solutions to minimise the impact of turnover via organisational design options such as outsourcing, job standardisation, and cross training through job rotation.

Turnover can also be controlled through an effective and sustainable retention policy that builds in an efficient recruitment practice. Such practice enables job candidates with a high turnover tendency to be identified and avoided through recruitment processes. In this regard, Ettore (1997: 49) canvasses for "strategic staffing" which is a combination of how to keep high potential employees and those who are critically important and capable, while hiring new ones who are not likely to leave quickly.

A Harvard University study reported by Mengel (2001: 8) reveals that nearly 80% of employee turnover is due to hiring mistakes. To avoid these mistakes, Handfield-Jones (2000: 80) believes that increased honesty during the hiring process bridges the expectation gap that often results in turnover of skilled employees.

According to Milkovich and Boudreau (1997) cited in Sutherland (2004: 40), realistic job previews in the hiring process can reduce turnover by 9%. Line managers should be involved in the job preview process since they understand the job conditions better than the HR practitioners. Welch (2001: 38) also suggests that one way of ensuring that managers take more responsibility for retention is by increasing their involvement in the selection processes.

Another approach to the formulation of a realistic retention policy is by conducting exit interviews and root cause analyses. Dibble (1999) as cited in Sutherland (2004: 41) emphasises that exit interviews are an important part of the retention cycle and need to be taken more seriously. Dibble emphasises further that exit interviews are a good feedback mechanism for organisations trying to install change, particularly change in retention patterns.



According to Momana cited in Harris (2008: 22) the information from exit interviews is passed on to executives in different areas in order to devise retention strategies that better suit their areas. The (USA) Corporate Leadership Council Survey (2002: 88) found that 70% of all information from exit interviews can be used to benefit the organisation but only 13% of such information is ever acted upon. Branch (1998: 102) argues that organisations are aware they are losing good employees, but they do not know who is leaving, or why, or even where they are going. This is when an honestly conducted exit interview becomes very useful.

The Harvard Management Update (USA) (2001: 4) posits that the root cause analyses should be used as opposed to the exit interview data which is fraught with subjectivity, time and validity problems. A root cause analysis involves continuous probing of a departing key employee on why they are leaving until root causes are uncovered. Branch (1998: 102) also supports the practice of interviewing departed key employees six months after departure.

This, according to Branch (1998: 102), provides more accurate exit information than at the point of departure. The desirability, validity and reliability of exit interviews have come under criticism with some authors arguing that departing employees do not usually give the true reasons for their withdrawing from an organisation for fear of unfavourable reference reports from their managers. Others contend that exit interviews should be conducted by managers other than those who provide reference reports on these employees.

Critics of exit interviews suggest that a root-cause analysis will remove the biases associated with exit interviews. The concern however is that managers cannot be sure that information given by departing employees as a result of persistent pressure actually represents the real reasons for their leaving since there are no ways of determining the validity and reliability of such data. Again, the availability and willingness of departed employees to respond to exit interviews six months after resignation can also not be guaranteed since these employees no longer have obligatory loyalty to their former employers.

An emerging strategy in retention management is that retention devices should not be aimed at all categories of employees but rather at critical ones. Woodruffe (1999) as cited in Sutherland (2004: 41) asserts that roles in an organisation should be separated into core and periphery. The core roles are vital and those employees in this category must be retained at all costs, while those employees in peripheral roles can come and go as they are more easily replaced. Capelli (2000: 110) strongly recommends that only key employees should have retention goals while recommending three retention categories: those employees that the organisation will want to keep indefinitely; those with specific skills that are currently in short supply; and those that are in easy-to-fill jobs where investment in retention is not required. Bussin (2002: 13) suggests that key employees who have high value to the organisation or are at high risk of leaving should be identified and then targeted for special retention strategies such as specialised salary structures.

Having considered retention strategies that organisations can adopt to retain key employees, the researcher realised that not one of these strategies on its own can guarantee the continuous loyalty of talent because of the high mobility nature of this category of employees.

The availability of alternative employment, especially in a growing economy that is characterised by a skills shortage as we have in South Africa, also facilitates the mobility rate of such employees.

Rather than attempting to develop a retention strategy that seeks to keep key employees perpetually, organisations should put in place strategies that will retain talented employees for optimal utilisation as long as it is mutually profitable to the organisation and the individual employee.

It is imperative for organisations to develop a comprehensive retention programme that keeps key employees until such a time that they will have justified the huge investment made in them by their employers. Managers should also utilise these employees optimally in order for them to contribute meaningfully to the successful realisation of organisational goals and objectives.

2.4 Motivational strategies

Motivation is defined by Robbins (1998: 206) as "the willingness to exert high levels of effort toward organisational goals, conditioned by the effort's ability to satisfy some individual needs". According to Steers and Porcter (1983) as cited in Riggio (2003: 84), motivation is a force that serves three functions: it energises or causes people to act; it directs behaviour toward the attainment of specific goals; and it sustains the effort expended in reaching these goals.

If employees perceive that their best interests are closely linked to those of the organisation they work for, they will possibly be motivated to remain in that organisation.

To achieve this linkage therefore managers have the responsibility of devising strategies that align the interests of the organisation with those of employees in order to retain them.

Motivational strategies, in the context of the study, include motivational factors that combine and interact to attract and motivate an employee to remain and consider his or her organisation as an employer of choice. According to Smit and Cronje (2002: 344), the organisations which are considered as the best organisations to work for use motivational variables such as employee education, training and development, career growth, and also for working atmosphere and environs. These are critical motivational variables that can sustain retention.

Apart from the aforementioned motivational factors other factors enhance retention practice and they include goal setting technique; management/ leadership ability and style; job advancement; cutting edge technology; salary and other financial benefits.

2.4.1. Goal setting technique

Davidson (2001: 5) alludes that one of the strategies adopted by leading organisations in the area of top employee retention includes instituting goal setting, performance measurement, and skill development programmes to ensure that employees always know where they stand and what they are doing.

According to Staw (2001: 54), goal setting is the idea of assigning employees a specific amount of work to be accomplished with a specific task, a quota, a performance standard, an objective, or a deadline. This enables an employee to know his or her level of contribution to organisational goals.

Riggio (2003: 193) and Staw (2001: 54) argue that for employees to be motivated, goals must be clear, specific, attainable, and wherever possible, quantified. Goals should have two main characteristics: they should be specific and not vague. For example, "increase sales by 10%" rather than "try to increase sales". Second, there should be a time limit for goal accomplishment, like "cut costs by 3% in the next six months". Riggio (2003: 194) in concurring with Staw (2001: 54) contends that goals should also be challenging and yet, attainable.

If accepted, difficult goals lead to better performance than easy goals. Furthermore, Staw (2001: 54) states that whether goals are set participatively or assigned, the support of the supervisor is crucial. Supervisors must assist subordinates to achieve tasks with the necessary expertise and the needed technology. Supportive supervisors do not use goals to threaten subordinates.



Employees feel pride and satisfaction from the experience of reaching a challenging but fair performance goal. Staw (2001: 62) posits that success in attaining a goal also reinforces acceptance of future goals and assists in retention. However, DeCenzo and Robin (2007: 256) argue that employees resist goals for lack of confidence, ability and knowledge.

Similarly, employees resist goals when there are no internal benefits such as personal pride, or external rewards like money, promotion, or recognition for attaining a goal.

In order to overcome the factors identified by DeCenzo and Robin (2007: 256) regarding goal resistance by employees, Staw (2001: 63) suggests that organisations should conduct training to raise employees' levels of skill and self-confidence. It is also important to allow subordinates to participate in goal setting and offer monetary bonuses or promotion, recognition, and time off for reaching goals.

This is consistent with the position of Ramlall (2004: 52) who proposes that supervisors introduce support elements such as money, equipment, time, help as well as freedom for their subordinates in order to attain goals. Managers must ensure that organisational policies do not impede goal attainment. Employees must equally be provided with feedback on the degree to which they are attaining or falling short of their goals in order to adjust the level of effort or strategy accordingly.

Goal attainment should be a critical aspect of the performance appraisal system. According to DeCenzo and Robin (2007: 256), performance appraisal must convey to employees how well they have performed on established goals. It is also desirable to have these goals and performance measures mutually set by the employee and the supervisor.

Without proper two-way feedback about an employee's effort and its effect on performance, management runs the risk of decreasing the employee's motivation. It is envisaged that goal setting techniques, when combined with other motivational strategies such as those discussed below, will provide organisations with a good mix retention strategy.

2.4.2 Training, education and development opportunities

Wan (2007: 297) argues that in today's competitive labour market the only strategy for organisations to improve workforce productivity radically and enhance retention is to seek to optimise their workforce through comprehensive training and development programmes. To accomplish this undertaking, organisations have to invest a lot of resources to ensure that employees have the information, skills, and competencies they need to work effectively in a rapidly changing and complex work environment. Wan (2007: 298) therefore suggests that it is important for organisations to invest in their human resource development, which, in general terms, is the process of helping employees become better at their tasks, their knowledge, their experiences, and adding value to their lives and that of the organisation.

The main method of achieving this is through training, education, and development. Smith (1992) as cited in Wan (2007: 298) defines training as "a planned process to modify attitudes, knowledge or skill behavior through learning experience to achieve effective performance in an activity or range of activities".

According to Schermerhorn, Hunt and Osborn (2004: 109), training is a set of activities that provides the opportunity to acquire and improve job related skills. In addition to initial training, training to improve employees' skills is important in order to enhance employees' performance in the organisation.

The purpose of training in the work context is to develop the abilities of the individual and to satisfy the current and future labour needs of the organisation. Employees consider training, education and development as crucial to their overall career growth and goal attainment and are motivated to remain and build a career path in an organisation that offers them such opportunity. Training comes in different dimensions and can take the form of on the job or off the job methods. On-the-job (internal) training techniques include mentoring, self-learning and attaching an employee to a colleague or superior to learn a new skill.

Organisations also organise employee in-house training where they are specifically trained in on-the-job requirements peculiar to the organisation. Off-the-job (external) training techniques include seminars, workshops, lectures and case studies that are conducted outside the premises of the organisation. Many organisations encourage their employees to add value to themselves through the acquisition of additional education by approving study leaves with or without pay or through part-time studies. Such programmes are usually conducted by institutions of higher learning.

Organisations enrich their human capital asset and the quality of their operations through training and development. Studies by Pate and Martin (2000: 150) show that organisations that are committed to employee training realise the rewards of increased skill, motivation, higher productivity and knowledge transfer of their employees.

Managers have the responsibility of providing assistance to help their subordinates identify their training and development needs, this could be done through individual professional development plans and the workplace skills plans. Training and development should be a continuous process with periodic review by managers who give employees the necessary feedback. Choo and Bowley (2007: 316) state that a thorough understanding of the job scope and career path is necessary to help managers and employees identify human capital development needs that are essential for career advancement within the organisation.

These are instrumental in keeping employees on the right track in the development of their careers. This, according to Choo and Bowley (2007: 316) not only reduces turnover, but also helps in succession planning, as employees stay if there is a well-defined career progression within the organisation.

2.4.3 Career growth and promotion opportunities

Career-minded employees consider career growth and development as crucial deciding factors in their decision whether to remain in an organisation or leave.

When career growth and development cannot be guaranteed, employees leave for alternative employment.

Choo and Bowley (2007: 315) argue that providing employees with internal job opportunities is a means of demonstrating that they can realise their career goals inside rather than outside of the organisation. Choo and Bowley (2007: 315) further indicated that career growth helps employees to plan for the future and to be better equipped with the right skills in order to remain competitive. In related literature, Agho (1998: 1007) states that opportunities for mobility within organisations are determinants of employee satisfaction.

As vacancies occur, employees must be given equal opportunity and necessary encouragement to apply alongside external candidates for higher positions within the organisation. When employees have the opportunity to be promoted, they tend to build their career lives around the organisation because they know that they can achieve their career goals within the organisation and this can inform their decision to remain. Managers should also focus on helping employees progress in their careers and encourage their professional development. This acts as a greater determinant towards the need for employees to remain and build loyalty around the organisation.

The trend in practice this days ins such that young employees who are unable to progress in their jobs are likely to leave the organisation for other jobs which they consider offer better prospects.

This would be a loss to the organisation as these young employees may have the potential to make significant contributions to the organisation in the long run, and the fact that the organisation might have spent a considerable amount of resource in training and development.

An emerging concept in career development is the mentor-mentee system. Orpen (1997: 53) defines mentoring "as the process whereby managers provide informal assistance and support to particular subordinates on an individual basis, to help them in their efforts to be successful within the organisation".

Successful professionals who have made their marks in their various careers are encouraged to adopt young and up-coming professionals as mentees in order to groom and help them build and achieve their career goals. In a mentor-mentee relationships, young professionals are attached to more experienced managers who help them develop realistic career goals and motivate them through guidance and counselling as well as putting them through the technical aspects of the job. Mentor-mentee development programmes foster good working and interpersonal relationships and motivate the mentee to remain with his or her mentor in the organisation. These successful mentees eventually adopt the management styles of their mentors and this often leads to successful management succession.

2.4.4 Management style

One of the critical roles of management is to create a work environment that is conducive for productivity and stimulate growth and development. It also includes influencing these employees' decisions to be committed and remain with the organisation even when other job opportunities exist outside the organisation. Maertz and Griffeth (2004: 668) emphasise the importance of pay, work organisation and work conditions in shaping job satisfaction and retention. Taplin and Winterton (2007: 6) pursue in detail the specific role of managers who influence employees' attitudes directly and indirectly through work structure.



Managers have the responsibility to structure the workplace and provide employees with an environment that enables them to resist external attractions such as higher pay in other organisations. Apart from providing an exciting working environment, Taplin and Winterton (2007:8) further submit that management style that is considerate and creates a worklife balance, low turnover rate becomes the norm. Such a management style also provides requisite levels of training and support for employees to meet their performance (and earning potential) and is based upon open communication. All these facilitate employee attachment to their leaders and the organisation as a whole.

Another form of retention strategy that requires management attention is work autonomy.

Amar (2004: 97) observes that in modern organisations managers are busy removing controls in the form of organisational policies that create hurdles, obstacles and barriers in the way of employees' creativity in their jobs. This is done through the introduction of employee health and wellness programmes which are aimed at ushering in a conducive environment for productivity.

While it is true that management has to place controls to guide and monitor activities in the organisation, Amar (1998: 98) argues that management must also recognise that controls can, and mostly do, go against motivation and impede creativity. This is consistent with the position of Kinnear and Sutherland (2001: 17) who emphasise the need for skilled employees to be given space to act independently and freedom to plan and execute work the way they choose.

The removal of structures and bureaucracies which hinder employee freedom can help retention practice in organisations with high turnover resulting from the application of rigid organisational policy. Amar (2004: 97) submits that reduced – or a lack of – control can free employees and give them a sense of empowerment. For instance, the biggest motivator of the younger generation of employees, according to Amar (2004: 97), is a lack of control on them. This frees their minds and allows them to engage in activities that bring about innovation. In some organisations, management extends the lack of control concept to dress and behaviour codes (Hays, 1999: 46) which also extends to work flexibility.

Taplin and Winterton (2007: 8) reveals that reasons why most employees remain with their various organisations despite better employment opportunities elsewhere. The study observes that it is imperative for management to introduce initiatives that ease worklife conflicts (flexible working hours, ignoring occasional lateness, providing transportation for employees) and systematically attempt to solicit information from employees about potential domestic concerns.

The study further notes that management should maintain open communication in order to identify problems before they disrupt operation and result in avoidable turnover. Cross-training of employees is crucial to enable other employees to stand in for absent colleagues. These management behaviours are considered a commitment to employees by management.

Managers have the responsibility of stimulating the work environment to achieve efficiency and create attraction for employees. Taplin and Winterton (2007: 8) show in their research the importance of management responding appropriately to employees' needs and complaints. The research also reveals that many employees remain with their organisations as a result of the conducive environment which should exist in the organisation.

The conducive working environment includes a an enviroment which encourages worklife balance. Most employees find such work environment and management disposition attractive and this makes it difficult for them to leave.

This is supported by Capelli (2000: 108) and Mitchell, Holtom and Lee (2001: 98) who argue that social friendships at work act as drivers for employee retention. Similarly, Rolando (2000) as cited in Ferreira (2008: 76), posits that a fat salary is down the list of things that modern employees are looking for.

In reporting the reaction of employees during their research, Taplin and Winterton (2007: 8) point out that management was always there whenever employees had problems, thus enhancing the employees' commitment to the organisation. Employees in the study agreed that they were satisfied with their jobs and described their work as generally interesting, challenging, of high standard and demanding a whole range of skills.

Similarly, in a Deloitte and Touche survey, Conradie (2008) cited in Ferreira (2008: 78) reports that the single most important factor that elongates employees' stay in an organisation is management style "the quality of the relationship an employee has with his or her immediate manager". Sherman et al. (2006: 8) also observe in their research that the majority of employees in the organisations surveyed planned to remain with their organisations at least for the next five years because of the prevailing culture of management care.

In today's supply constrained labour environment, as presently witnessed in South Africa, it is important for managers to integrate employees' work and family life and create a sustainable social environment in the organisation that will bond employees and management together.

This contemporary management style is fast replacing the autocratic style of management which sees employees as merely economic tools that must be exploited to achieve organisational goals.

Empirical evidence by Taplin and Winterton (2007: 11) shows that managers in high turnover organisations believe that employees are not to be trusted; that they are expendable and therefore turnover is somewhat inevitable. Management in these organisations is always reluctant to invest in new employees other than minimal training assistance and does not place any importance on the worklife balance of employees.

Given the huge costs associated with turnover, it is important for HR practitioners to adopt a pro-active managerial approach that views turnover as a costly, disruptive but avoidable work phenomenon that impacts negatively on service delivery and profitability. Management should recognise retention practices that structure work to facilitate maximum earnings for employees, especially new ones who should also be extensively trained and motivated in order to enlist their commitment to the organisation. This reduces turnover intentions.

Managers should identify each employee's potential and skill and assign him or her jobs that are commensurate with their skills and potentials in order to make work pleasurable. Top management should evolve policies and practices that encourage employees to approach their supervisors freely whenever they run into problems, whether work or family related.

It is imperative for managers to establish a good working relationship with employees in order to create room for effective two-way communication.

This, according to Taplin and Winterton (2007: 14) is a good retention strategy that must be encouraged by managers. Such approachable management, combined with sympathetic supervision and good interpersonal relations, clearly helps in labour retention. Such behaviour by management reflects genuine concern for creating an effective work environment based on information sharing, incentive pay, training and skill development, and relative job security.

Most of these factors according to Taplin and Winterton (2007: 14) are sources of sustained competitive advantage through people. Good management practices also entail that salary and other financial benefits for employees are set at market or above market values in order to gain a competitive advantage. These are discussed in the section that follows.

2.4.5 Compensation and other financial packages

The remark of Kinnear and Sutherland (2001:17) that employers should not be deceived that money doesn't matter in retention strategy any longer is very instructive. This remark emphasises the importance of money in attracting, motivating and retaining quality employees in the organisation. Kinnear and Sutherland (2001: 17) further remark that skilled employees in South Africa are achievement oriented and want their achievements rewarded with money.

Locke, (1980) cited in Tietjen and Myers (1998: 227), review four methods of motivating employees toward improved performance as money, goal-setting, participation in decision making, and job redesign.

Locke (1968) finds that money is overwhelmingly the most important motivator. Robbins (1983) as cited in Meudell and Rodham (1998: 128) suggests that money can be considered to act as both a "scorecard" which enables employees to assess the value the organisation places on them in comparison to others, and as a medium of exchange in that an individual can purchase whatever he or she needs. However, a lot of controversies have surrounded the use of money as the utmost variable in employee motivation and retention.

In a comparative analysis, organisational practitioners observe that in organisations experiencing turnover, compensation is the most common reason given for leaving.

However, in organisations with low turnover, compensation is not the reason for staying instead, most employees stay because of intrinsic reasons such as job satisfaction and good relationships with their managers and other employees. This suggests that the cause of dissatisfaction is not the same thing that determines satisfaction on the job.

This assertion is consistent with both Herzberg's and Maslow's theories of motivation, which propose that compensation and other financial benefits satisfy only lower level needs, but motivation and satisfaction result from higher needs being met. Amar (2004: 96) argues that money has not remained as good a motivator as it was in the past.

The efficiency of money as a motivator of skilled employees is quite low. Hays (1999: 48) advises that if managers reward performance with only money, they lose the substance of retention because there are other more powerful ways of motivating quality employees and these include freedom and flexibility in the organisation.



It can be argued that the use of money as a motivator in the skilled labour environment depends on how it is deployed. For employees to be effectively motivated, Karp, Sirias and Arnold (1999: 45) propose that the bulk of rewards that organisations offer their employees should be expanded to include non-financial incentives. These incentives should include issues such as work/life benefits, training and development opportunities, promotion and autonomy.

However, while money cannot be totally discountenanced as a motivator, the attention of managers should be redirected at rewarding performance using commissions, performance bonuses, merit pay, incentive schemes, and others rather than raising salaries across the board.

In designing retention programmes, managers should therefore identify the needs of individual employees and tailor a compensation package towards those needs rather than applying or imposing a package that will not be valued by employees no matter how costly it may appear.

The above section articulated a practical working relationship among various motivational strategies that can assist in retention and turnover management. There is no one motivational strategy that can sustain any meaningful retention practice. It is therefore imperative for top management, HR practitioners and line managers to consider a combined strategy that will produce a comprehensive and effective retention initiative.

Organisations should focus their attention on intrinsic rather than extrinsic factors in designing and implementing retention policies since motivation comes from within and not from outside. This however does not suggest that extrinsic factors such as money should not be a prominent consideration in the motivation and retention mix.

No retention mix will be effective without incorporating the job satisfaction element which has been acknowledged over time as an important indicator of turnover decisions. The next section will therefore explore job satisfaction and its measurement together with the related theory of job satisfaction.

2.4.6 Job satisfaction

Job satisfaction has long been recognised as an important variable in explaining turnover intentions. Certain factors that are a determinant of employee retention or turnover are responsible for job satisfaction/dissatisfaction. However, the inability of managers to identify these factors has led to a high rate of turnover in organisations.

Riggio (2003: 215) defines job satisfaction as consisting of the feelings and attitudes one has about one's job including all aspects of a particular job, good and bad, positive and negative, which are likely to contribute to the development of feelings of satisfaction or dissatisfaction or turnover intentions. This is consistent with Schermerhorn, Hunt and Osborn (2004: 100) who formally define job satisfaction as "the degree to which individuals feel positively or negatively about their jobs".

It is an attitude or emotional response to one's tasks, as well as to the physical and social conditions of the organisation. Job satisfaction or dissatisfaction is predicated upon certain organisational factors and does not exist as an abstract phenomenon. These factors revolve around the work itself or the environmental and human aspect of the organisation. The results of a study by Groot and Brink (1999: 347) indicate that the employees concerned were highly satisfied with the content of the job, flexible work arrangement and interpersonal relationships among employees. On the other hand, the employees were dissatisfied with the workload, number of hours they worked, and the supervisor.

The findings by Groot and Brink (2000: 347) show that both intrinsic and extrinsic variables are important determinants of job satisfaction/dissatisfaction. The research however concludes that intrinsic factors motivate employees more significantly than extrinsic factors. The research conclusion by Groot and Brink (2000: 347) represents one of the objectives of the present study which sought to determine the extent to which intrinsic and extrinsic variables influence employees' retention in their organisations.

According to Saari and Judge (2004: 395), job satisfaction can be an important indicator of how employees feel about their jobs and a predictor of work behaviours such as absenteeism and turnover. It shows the extent to which employees like their work and this informs an employee's decision to belong – that is, to join and remain a member of an organisation.

Managers can then assume that employees who are satisfied with their jobs are more likely to remain with the organisation longer than those that are dissatisfied with their jobs. Managers should therefore devise ways of determining the level of job satisfaction among employees, especially high performing employees, in order to predict and prevent their turnover.

Managers should investigate employee withdrawal behaviours such as lateness, preventable industrial accidents, sabotage and drop in employee productivity. These are symptoms of dissatisfaction among employees which should be addressed before they result in turnover.

Porter and Steers (1991) as cited in Hwang and Kuo (2006: 255) argue that the extent of employee job satisfaction reflects the cumulative level of "met worker expectations", that is, the extent of employees' expectation that their job will provide a mix of features such as pay, promotion, or autonomy, and for which each employee has certain preferential values. When the accumulation of unmet expectations becomes sufficiently large, Pearson (1983) as cited in Hwang and Kuo (2006: 255) concludes that there is less job satisfaction and greater possibility of withdrawal behaviour.

It is a generally accepted assumption that nearly every employee seeks satisfaction in his or her work. Jepsen and Sheu (2003: 165) also posit that if a person becomes engaged in work that matches his or her occupational choice, such an employee is likely to experience job satisfaction.

According to Locke (1976) cited in Tietjen and Myers (1998: 227), there are three interactive causes of employee turnover: physical-economic (physical working conditions); social (supervision and cohesive work groups); and nature of the work (mentally challenging tasks and work-related variables). Absence of these interactive variables in a work situation results in job dissatisfaction which facilitates turnover.

Motivational variables as an important component of job satisfaction, which, in effect are predictors of turnover, are further emphasised by Agho (1997:1020).

Agho (1997: 1020) states that the determinants of employee satisfaction are working with friendly people, fair rewards, opportunities for mobility within the organisation, and working for supervisors who actively assist their subordinates to address job-related problems.

These are intrinsic and extrinsic variables that influence employees' decisions to quit or remain in an organisation at a particular time. Spector (1997: 28) shares the same view by stating that popular job satisfaction instruments include facets such as rewards (pay, benefits), other people (co-workers, supervisors), the nature of the work itself and the organisation.

Extrinsic (hygiene) factors, according to Herzberg, must be present in the job. Even though they do not motivate, they nevertheless make employees happy and satisfied with their employers thereby enhancing retention.

Research findings by Groot and Brink (2000: 347) however do not support Herzberg's hygiene theory. Apart from the content of the job, Groot and Brink (1999: 347) believe that other factors determine overall job satisfaction, in order of importance: satisfaction with co-employees, satisfaction with the supervisor, and satisfaction with early retirement arrangements (job security). These are dissatisfiers, according to Herzberg but which have been found by Groot and Brink (1999: 347) as high determinants of job satisfaction.

Literature by Goldfarb Consultants (1999: 12) lists the top five most important factors to be those that have more to do with interpersonal relationships (quality of decision makers, communication and relations between managers and employees). Others are the atmosphere in the organisation (ethics, level of innovation and physical environment) and a sense of personal achievement (personal growth opportunities and level and range of responsibility).

However, survey findings by the Society of Human Resource Management (SHRM) in the USA (reported in Wan, 2007: 298) differ considerably from the list provided by Goldfarb Consultants (1999: 12). The top five factors in attaining job satisfaction, according to the SHRM, are compensation/pay, benefits, job security, flexibility to balance life and work issues, and feeling safe in the work environment.

In another research, Lermusi (2006:1) finds that meaningfulness of work and job variety are two areas that employees value while HR emphasises the relationship with the supervisor and the recognition that management gives regarding job performance. In their research report, Balkin and Gomez-Mejia (1990) as cited in Wan (2007: 301) emphasise that compensation systems are likely the key factors that can elicit and reinforce behaviours such as performance and turnover. Similarly, Peccei (2004: 21) argues that job satisfaction is high if employees feel that they have a good wage-effort bargain and feel that, on the balance, they are well paid for what they do.

The arguments canvassed in the literature reinforce the importance of money as a key determinant of job satisfaction and employee retention especially in developing and underdeveloped economies in Africa.

The literature reviewed above shows inconsistencies in rating the top variables that stimulate job satisfaction. While Goldfarb Consultants (reported by Pohlmann, 1999: 12) suggest interpersonal relationship, work atmosphere, personal achievement, and other factors, the Society for Human Resource Management, USA, Peccei (2004: 1) and Heathfield (2006: 2) rank pay, benefits, job security, flexibility to balance life and work issues, and safe work environment as most important.

The disparities in ranking can be attributed to the social-economic and cultural environment in which these research studies were conducted. What motivates an employee in America or Britain, for example, may differ considerably from what motivates employees in Africa. Over time, the spate of strikes embarked upon by labour unions in Africa have centred on money.

The general strike that was embarked upon in June, 2007 by the Coalition of South African Trade Unions (COSATU) was essentially on the need for a salary increase for employees. Similarly, the Nigerian Union of Teachers (NUT) in Nigeria declared an industrial action in July, 2008 to force the federal government to increase teachers' pay because, according to the teachers, their take home pay could no longer take them home. Reasons often given for labour migration from the south and indeed other African countries to developed economies relate to better remuneration.

Retention is enhanced and rate of turnover reduced if managers are able to identify properly and apply variables that determine job satisfaction among employees.

2.4.6.1 Measuring job satisfaction

Job satisfaction relates to emotion and attitude and this makes it difficult to measure. Most instruments designed for measuring job satisfaction consist of items such as pay, working conditions, and relationship with supervisors and co-employees. However, Ostroff, Scarpello and Vandenberg (1993) as cited in Riggio (2003: 215) contend that variables such as pre-employment expectations, individual personality characteristics, and the fit between the organisation or job and the employee may also affect employee satisfaction.

These variables are not included in job satisfaction survey instruments thereby affecting the degree of validity and reliability of such instruments. Job satisfaction measurement can assist managers in identifying the possible cause(s) of problems within an organisation. An organisation witnessing a high rate of turnover, for instance, may assume the cause to be inadequate salary, but may discover that the problems persist after salary is increased without recourse to a job satisfaction measure.

Management may spend time and resources on a problem that does not exist. Job satisfaction is difficult to measure because it is mediated by the perception of

individual employees who may perceive the same job differently. In concurring with this assertion, Gardner and Pierce (1998: 48) argue that it is these individual perceptions that determine employee satisfaction with the job. For example, improving the working environment may affect satisfaction for some employees but not for others, because not everyone is dissatisfied with a work environment.

Another major obstacle in the measurement of job satisfaction is the reliance on respondents' self-reports. Employees may intentionally fail to report their true feelings about the job as happens during exit interviews when departing employees, in most cases, do not give true reasons for leaving the organisation for fear of receiving bad reference reports.

Strategies for measuring job satisfaction include interviews, group meetings, rating scales and questionnaires. Riggio (2003: 218) however suggests that employee anonymity may help employees to be more candid than in face-to-face interviews. It has been suggested that meetings and interviews can provide rich information because interviewers can ask follow-up questions, or request further explanation or clarification to answers. In addition, biases and ambiguous items that employees may interpret differently may seriously damage the validity of a questionnaire on job satisfaction measure.

Many organisations design their own interviews, scales or surveys to measure employee job satisfaction. These can be designed to measure specific issues relevant to each organisation's employees, but their results may be difficult to interpret.

One of the problems inherent in self-developed scales is that such scales may not be reliable or valid. It is also costly to engage experts in survey development and measurement techniques. It takes quite a bit of research, according to Riggio (2003: 219) to establish the reliability and validity of a job satisfaction measure.

It is very difficult to know what a particular rating or scoring means since there are no standards of comparison. Because of these problems in creating and interpreting in-house job satisfaction measures, many organisations use standardised, published surveys. These are cost effective and provide normative data that permit the comparison of ratings with those from similar groups of employees in other organisations that have completed the survey.

A job satisfaction measure also allows organisations to discover whether the job satisfaction levels of their employees are low, high or in the normal range as compared to the levels of employees in other organisations. This practice enables researchers to investigate the various organisational factors that cause job satisfaction or dissatisfaction in order to put corrective measures in place to forestall turnover.

2.4.6.2 Herzberg (1959) two-factor theory and job satisfaction

One of the earliest researchers in the area of job redesign as it affects motivation was Herzberg (1959), the formulator of the two-factor theory, cited in Bassett-Jones and Lloyd (2005: 929).

The theory attempts to explain satisfaction and motivation in organisations by stating that satisfaction and dissatisfaction are driven by different factors, motivation and hygiene factors, respectively.

Motivators are those aspects of the job that make people want to perform and provide people with satisfaction. These motivators are considered intrinsic to the content of the job and include variables such as achievement, recognition, the work itself, responsibility, advancement, and growth.

Conversely, dissatisfying experiences, called "hygiene" factors, largely result from extrinsic, non-job related factors such as company policies, salary, co-worker relations, and supervisory styles. Herzberg argues that eliminating the causes of dissatisfaction (through hygiene factors) does not result in a state of satisfaction; instead, it results in a neutral state. Satisfaction (and motivation) occur only as a result of the use of intrinsic motivational variables.



The concept of the present study is essentially to use motivational variables as a strategy for retention and turnover in organisations. The two-factor theory therefore provides useful guides in identifying variables (intrinsic factors) that truly motivate individual employees and give them satisfaction in their jobs. One of the motivators, according to Herzberg, is the job itself.

Managers can enrich an employee's job by effecting basic changes in the nature of jobs to allow increased challenges and responsibility, opportunities for advancement, personal growth, and recognition. Managers must however pursue extrinsic factors in order to maintain peace and industrial harmony in their organisations.

Some of the major causes of industrial actions in organisations include insufficient pay and poor working conditions. Even though they don't motivate employees, managers must put these variables in place in order to make employees happy and avoid job disruption and withdrawal from the organisation.

While Herzberg's model has stimulated much research like Locke (1976) cited in Tietjen and Myers (1998: 227), researchers have been unable to prove reliably and empirically the workability of the model. House and Wigdor (1967) cited in Graham and Messner (1999: 196) criticise Herzberg's original formulation of the model which they describe as a methodological error.

Second, ratters are required to evaluate behaviours of respondents, which may result in ratter contamination. Third, Herzberg's research lacks a measure of overall satisfaction and finally, situational variables are not treated in defining the relationship between satisfaction and productivity.

Nedler and Lawler (1979) cited in Graham and Messner (1999: 196) contend that Herzberg's theory does not consider individual differences, conversely predicting that all employees react in an identical manner to changes in motivation/hygiene factors.

Second, Herzberg's model does not specify how motivation/hygiene factors are to be measured as is done in job satisfaction. Finally, Nedler and Lawler (1979) criticise Herzberg's model for prescribing that there is one best way of doing work.

Regardless of the criticisms of Herzberg's theory, it has made a significant contribution to the discussion of job satisfaction. Managers find the model useful in the area of job enrichment using intrinsic factors. Industrial relations practitioners also find the knowledge of the theory helpful in identifying extrinsic factors that may not necessarily motivate employees to greater performance, but bring about industrial peace and harmony in organisations. One of the challenges of the theory that the critics of Herzberg do not resolve is designing a measuring instrument for motivator and hygiene factors as we have in job satisfaction. Organisational development practitioners may consider this gap as a challenge to develop a measuring instrument in this regard.

Besides Herzberg's theory, motivation as an essential tool in directing employee behaviour has also received attention from different authors of content theories which managers need to understand. This will enable them to utilise appropriately the substance of these theories to achieve the desired retention and turnover results. Relevant theories of motivation are reviewed as they relate to this study in the following section.

2.5 Theoretical framework on employee motivation

Research into work motivation was an offshoot of the early management theories pioneered by Taylor (Scientific School, 1900s), and Fayol (Human Relation Movement, 1930). The Scientific School, according to Smit and Cronje (2002: 250), views people as production tools with which to accomplish tasks, and as basically lazy and not fond of work. They have to be coerced to work and motivating them is a matter of external stimulation.

The human relations movement however suggests that people must be treated with respect and are motivated to work well for the sake of the work as well as for the social and monetary benefits they receive, and that their motivation is internally stimulated. From these pioneering schools of thought emerged the early and contemporary motivational researchers and theorists such as Maslow (1954), Vroom (1964), Herzberg (1959), Alderfer (1972), McClelland (1961) and Locke (1976). Others include McGregor (1960), Adams (1965), Porter and Lawler (1961) as cited in (Smit & Cronje, 2002: 356; Staw, 2001: 44) and many other great contributors to the theories of work motivation.

The present study uses three of these theories (Maslow, 1954; Herzberg, 1959; and Vroom, 1964) to support the issues of retention and turnover in organisations.

2.5.1 Expectancy theory (Vroom, 1964)

Vroom's 1964 expectancy theory is presently considered by Smit and Cronje (2002: 356) as well as Staw (2001; 44) as the most comprehensive, valued and useful approach to understanding motivation. Kreitner and Kinicki (1999: 227) and Smit and Cronje (2002: 356) posit that the theory holds that people are expected to behave in ways that produce desired combinations of expected outcomes. They further state that people act according to (1) their perception that their efforts will lead to certain performance and outcome and (2) by how much they value the outcome.

Thus, employees' effort leads to performance, and performance leads to rewards. Rewards may be either positive or negative; the more positive the reward, the more likely an employee is to be motivated. On the other hand, the more negative the reward, the less likely an employee is to be motivated.

The theory argues that an individual's work motivation is determined by the elements that are herewith discussed. Expectancy (effort-performance relationship). Expectancy is the belief of an individual that a particular level of effort is followed by a particular level of performance.

For an example, expectancy is high when a sales person is sure that he or she will be able to sell more units (performance) of a product if he or she works overtime (effort).

Expectancy is low if the sales person is convinced that, even if he or she works overtime, more units will not be sold. High expectations generally attract more high motivation than low expectations do.

Instrumentality (performance-reward relationship) refers to the degree to which an individual believes that a certain level of performance will lead to the attainment of a desired outcome.

Instrumentality is high if the sales person believes a bonus will be paid if more units are sold and low if no bonus will be paid even after selling more units. Valence (reward-personal goal relationship) is the value or importance that an individual attaches to various work outcomes. For motivation to be high, employees must value the outcomes they receive for their performance (Smit & Cronje, 2002: 357; Schultz & Schultz, 2006: 228). Managers must link performance to reward in order to encourage high performing employees and also to motivate employees that are under performing.

Individual employees come to an organisation with different needs and expect that the organisation through its structures will meet those needs. When such expectations are constantly met, the employee feels secure and builds a career path around the organisation. When valence is static or low, as in the public service where salaries are fixed irrespective of an individual's contribution to work outcome, productivity and morale are low.

This partly explains why public sector managers are finding it difficult to attract high performing job candidates to their organisations while those already in their employment are leaving for the private sector. The specific assumptions in the expectancy theory as identified by Lawler, Kuleck, Rhode, and Sorenson (1975) provide a clear prediction for turnover. Individual employees decide the level of effort they want to put into the job and whether to remain or quit the organisation.

These decisions are based on the fulfilment of an employee's expectations and when these expectations are not met by the organisation, the individual employee sets in motion a turnover process by searching for alternative employment.

The expectancy theory remains relevant in present day organisational management as it is important for managers to figure out what outcomes each employee values. Managers must determine what kind of outcomes/rewards have valence for individual employees. This, according to Lawler et al. (1975) cited in Ramlall (2004: 58) can be revealed by structured questionnaires, by observing employees' reactions to different situations or rewards, or by asking what kinds of rewards individual employees want or kinds of career goals they have. Managers must specify the kinds of behaviours they want and back them up with adequate valences in order to motivate high performing employees to remain.

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Vroom also argues that outcomes should be large enough to motivate significant behaviour. There must be equity in the organisations' reward system.

Good performers should achieve more desired rewards than average or poor performers and other employees in the organisation should know about it in order to motivate them to higher performance also. According to Kreitner and Kinicki (1998: 227), equity in this case must be differentiated from equality where all are rewarded equally with no regard to performance.

A system of equality is guaranteed to produce low motivation. A common practice in most organisations today is to reward employees through pay structure by seniority rather than performance. Managers both in the public and private sector organisations should integrate this aspect of the expectancy theory into their reward system as a way of motivating innovative and high performing employees. That is, employees should be rewarded based on performance rather than the scoring method in the appraisal form with ratings on cleanliness, honesty and other traits.

Group influence on individual employee's motivation and performance should not be overlooked by managers. Managers should recognise the importance of group dynamics as both formal and informal groups are powerful and potent sources of desired outcomes for individuals. Groups can provide or withhold acceptance, approval, affection, skill, training, needed information, assistance and other necessary tools that can make individuals accomplish goals. They are a powerful force in the total motivational environment of individuals. Managers must therefore be trained to appreciate the influence of groups on individual employee behaviour.

Within an organisation, immediate supervisors should create, monitor and maintain the expectancies and reward structures that lead to good performance. Supervisors should motivate subordinates by defining clear goals, setting clear reward expectancies, and providing the right rewards for different employees.

Management has the responsibility to provide supervisors with an awareness of the nature of motivation as well as the tools (control over organisational rewards, skill in administering those rewards) in order to create positive motivation. The expectancy theory as simplified by Staw (2001: 44) also suggests that individual employees should be allowed to choose the type of rewards they prefer since different people have different needs and valences.

Effective motivation must come through the recognition that not all employees are alike and that organisations need to be flexible in order to accommodate individual differences. This implies the building in of choice for employees in many areas, such as reward systems, fringe benefits, job assignments and others. Individual employees should be allowed to choose the fringe benefits they want, rather than those imposed by the organisation which may not be attractive to the employee no matter how expensive they may appear.

The expectancy theory provides a strong background for HR practitioners in the design and application of organisational rewards. Employees should equally have the opportunity of deciding the type of reward they prefer rather than a general application since individuals are motivated by different valences.

Rewards can be made optional thereby giving an employee the opportunity to decide on the type of reward that provides maximum valence within a variety of rewards with the same value, for example, when a reward for long service in an organisation is an all-expenses paid holiday abroad. Such awards should come with an option of commitment to cash which may be more valuable to the employee than a holiday abroad. Reward systems should be designed with input from individual employees whose needs vary according to socio-cultural, psychological, environmental and economic backgrounds.

2.5.2 The hierarchy of needs theory (Maslow, 1943)

Maslow's hierarchy of needs theory remains one of the best known approaches to employee motivation. Maslow hypothesised that within every human being there exists a hierarchy of five needs, as follows:

- Physiological – hunger, thirst, shelter, sex, and other bodily needs. Safety – security, protection from physical and emotional harm
- Social – affection, sense of belonging, acceptance, and friendship
- Esteem – internal factors such as self-respect, autonomy and achievement; and external factors such as status, recognition, and attention
- Self-actualisation – the drive to become what one is capable of becoming like personal growth, achieving one's potential and self-fulfilment

According to Maslow, as each of these needs becomes substantially satisfied, the next need becomes dominant. Champagne and McAfee (1989) as cited in Ramlall (2004: 60) suggest some potential ways of satisfying employees' needs as follows:

- Physical needs – employers can build cafeteria and drinking fountains
- Security needs, employers should provide economic solution through wages and salaries, fringe benefits, retirement benefits, medical benefits and physiological solutions through the provision of job descriptions, good working conditions, heating and ventilation, and a rest period
- To provide a solution for social needs, organisations must encourage social interaction, create a team spirit, facilitate outside social activities such as social club membership and allow participation in trade unions
- To satisfy esteem needs, managers should design challenging jobs, use praise and awards, delegate responsibility, give training and encourage participation in decision making
- Self-actualisation should be satisfied using executive training, providing challenges, and encouraging creativity

Ramlall (2004: 63) suggests that in order to motivate employees to higher productivity and reduce turnover, organisations must devise programmes or practices that are aimed at satisfying emerging or unmet needs. Management should also implement support programmes and focus groups to help employees deal with stress, especially during more challenging times.

Various organisations today organise wellness programmes for their employees to keep them fit and make them feel that their employers show concern about their state of health. Kreitner and Kinicki (1998: 120) also suggest that managers take time to understand that employees have different needs categories, appreciate that some needs take priority over others and devise means of solving them.

Managers should appreciate equally the importance of employee growth and self-actualisation. It is becoming increasingly important for managers to create a proper climate in which employees can develop to their full potential. Failure to provide such a climate would, in the opinion of Ramlall (2004: 54), increase employee frustration and result in poorer performance, lower job satisfaction and increased withdrawal from the organisation.

Maslow's hierarchy of needs theory provides a useful guide for managers toward motivating and retaining their employees. In order for organisations to be able to retain high performing employees, managers should ensure that key employees enjoy satisfaction with their jobs as job satisfaction/dissatisfaction is known to be positively related to retention and turnover.

2.6 Conclusion

This chapter discussed various strategies that can be used by organisations in the management of retention and turnover. Existing legislation by the South African Government to enhance retention practices in public sector organisations was also discussed.

Both public and private sector organisations design programmes and policies which they use to attract and retain quality employees who will help in achieving organisational success. Motivation constitutes an important strategy in this regard. The manner in which motivational variables can be combined to produce a good retention programme that will reduce turnover in organisations was discussed to conclude the chapter.

The next chapter discusses the methods used in carrying out this research.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter reflects the methodology and research design used in the study. The following aspects are dealt with: research design; method of data collection; sampling; and data analysis. For the purpose of the study, a combined method of research was used. This combination is called triangulation. It involves a combination of the qualitative and quantitative approach.

3.2 Research Design

Cooper and Schindler (2003:146) define research design as the plan and structure of investigation so conceived as to obtain answers to research questions. They further explain that the plan is the overall scheme or programme of the research, which includes the outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data.

Cooper and Schindler (2003) put forward the notion that a research design expresses both the structure of the research problem and the plan of the investigation used to obtain empirical evidence on relations of the problem. Cooper and Schindler further make a deduction on the above and summarise the essentials of the research design as follows:

- ✓ The design is an activity and time-based plan
- ✓ The design is always based on research questions
- ✓ The design guides the selection of sources and type of information
- ✓ The design is a framework for specifying the relationships among the study variables

Smith (1995) as cited in De Vos (2005:132) defines research design as a specification of the most adequate operation to be performed in order to test a specific hypothesis under given conditions. Malton (2001) in De Vos (2005:132) further defines research design as a plan or blueprint of how you intend conducting the research.



According to the researcher's view, it means that the design is the overall plan for conducting the whole research study, for example, case study, survey and classic experiments etc. Neuman (2000) and Bless and Smith (1995:156) distinguish between quantitative and qualitative research design. Bless and Smith (1995:156) define qualitative research as a method conducted by employing a range of methods which use qualifying words and descriptions to record and investigate aspects of social reality. Quantitative research design includes experiments, surveys and content analysis.

Two research designs were used in the research project, namely descriptive and exploratory research designs. Descriptive research is a method used in quantitative while exploratory is used in qualitative research.

The two methods complement each other since through descriptive, the research described the current situation in as far as the use of motivational factors for retention of employees is concerned, where qualitative research design was applied. The researcher used exploratory research design to explore types of motivational variables to be implemented as means of employee retention in the workplace.

3.3 Population and Sampling

3.3.1 Population

Mouton (1996:134), defines population as a collection of objects, wants or individual having some common characteristics the researcher is interested in studying. The population of this research will be comprised of all the employees (620) in the Ngaka Modiri Molema District Municipality.

3.3.2 Sample procedure and sample size

Bless and Higson-Smith (2000: 86) define a sample as "a sub-set of a population which must have properties which make it representative of the whole". Similarly, Bryman and Bell (2003: 93) refer to samples as the population that is selected for investigation. Samples involve collecting information from a portion of the larger group, and on this basis, infer something about the larger group (population). A representative sample is crucial to quantitative research and must reflect the population accurately so that inferences can be drawn.

Mouton and Prozesky (2005: 170) describe a sampling bias to mean that those selected are not typical or representative of the larger population they have been chosen from. This could be as a result of overrepresentation of some segment of the population or the exclusion or underrepresentation of a significant segment. Shaughnessy and Zechmeister (1997: 136) contend that a sample is representative of the population from which it is selected if the aggregate characteristics of the sample closely approximate those same aggregate characteristics in the population.

Sampling procedure according to Blanche et al. (2006: 133) refers to the process of selecting elements to be observed. Ghauri and Gronhaug (2005: 146) broadly divide sampling procedure into probability and non-probability sampling.

The selection of respondents was done using the simple random sampling methods. This sampling method was used to select respondents from the sample frame of the study. The aim of probability sampling is to keep sampling error to a minimum. This aspect of probability sampling procedure permits statistical inferences. This method was chosen because each employee had an equal and independent opportunity of being selected for the study and then the sample size of 180 respondents was drawn. Care was however taken to avoid double representation of the sample.

3.4 Method of data collection

Data collection is the process of gathering relevant information about the subject from research participants. According to Martins, Loubster and Van Wyk (1999: 90), the data gathering process may vary from relatively simple observation at a specific location to an extensive survey of large corporations across the world.

Data is an important part of any research in that it does not only give the description of how data will be collected, but also constitutes the basic information from which conclusions will be drawn (Monette, 2000:11). Data collection methods are those specific procedures utilized by the researcher to obtain information about the topic at hand from the subset in choosing the appropriate data collection methods. It is imperative that the researcher consults the research problem to determine the appropriate instruments and protocols for data collection (Cooper and Schindler 2005).

Various methods used in data gathering, especially in the social sciences and business world include questionnaires, interviews, focus group discussions and observation of participants. Each of the methods of data collection has its own, unique advantages and disadvantages. Some of the advantages of the questionnaire method include cost efficiency, easy administration and easy analysis especially in a quantitative study. The present study used the questionnaire method of data collection because of its numerous advantages and its ability to yield the most satisfactory range of reliable data.

Questionnaires are most suitable in a quantitative study such as the present one.

3.4.1 Personally administered questionnaires.

A questionnaire is a set of questions on a form which is completed by respondents in respect of a research project (Devos 2000:152). Because each person or respondent is asked to respond to the same set of questions, it provides an efficient way of collecting responses from a large sample prior to quantitative analysis. Questionnaire can be used for descriptive and exploratory research. According to Saunders et al (2003:281), the design of questionnaire normally affects the response rate and the reliability and validity of the data collected. Therefore response rate, validity and reliability can be maximized by:

- Careful design of individual questions,
- Clear layout of the questionnaire form,
- Lucid explanation of the purpose of the questionnaire,
- Pilot testing,
- Carefully planned and executed administration.

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3.4.2 Administration of the questionnaire

Different methods of administering questionnaires are open to a researcher. According to Shaughnessy and Zechmeister (1997: 141), questionnaires can be administered through postal mail, telephone interviews, internet or be self-administered.

Whatever method the researcher uses places a responsibility on the researcher who bears the costs of getting the questionnaires across to the respondents.

The self-administered questionnaire which is the most popular among student researchers, requires the respondent to be literate. It also requires some form of reasoning as the researcher may not be available to make clarifications when respondents are responding to the questionnaires. However, self-administered questionnaires are known to have a high return rate since the researcher, in some instances, personally distributes the questionnaire to respondents. In some instances also, the researcher can distribute the questionnaires through a responsible unit of the organisation (for example, the HR department). In either of the cases, the researcher or the HR employee can follow up constantly to make sure respondents return the questionnaires.

The questionnaires for the study were self-administered. The researcher, with the help of employees from the Human Resource Division in the Ngaka Modiri Molema District Municipality randomly administered the questionnaires to employees who were part of the sample. The researcher explained all questions on the questionnaire to the HR employees who in turn explained them to the respondents. A total of 180 questionnaires was administered to respondents.

3.5 Data Analysis

Before analysing data, one has to make sure of the measurement level of the data that were collected. There are many variables which denote categories, while other variables give measurements or counts. Therefore variables were divided into two broad classes: qualitative data and quantitative data. In Table 1 below the levels of measurements are depicted.

Table 3.1: Levels of measurement

Level	Description	Example
Nominal	Classify into categories	Sex, gender, race, province, marital status, religion.
Ordinal	Order by rank or magnitude	Employment status, disability status
Interval	Distance between values is meaningful, but without absolute zero.	Aptitude tests, intelligence tests, personality tests, knowledge tests
Ratio	Distance between values is meaningful, and there is an absolute zero point.	Age, height, weight, distance, number of dependents, salary.

Source: De Vos, Strydom, Fouché and Delport, (2005: 219)

According to Denzin and Lincoln (2001:393), the analysis and interpretation of written material offers distinctive challenges which enable the qualitative researcher to collect data which would have not become available otherwise.

3.5.1 Qualitative data analysis

Data analysis necessitates revision in data collection procedures and strategies. Data collection and analysis go hand in hand in order to build a content interpretation of data.

Marshall and Rossman (1999:147-149) in De Vos (1995:335) contend that the researcher is guided by initial concepts and developing understanding but shifts or modifies them as he or she collects and analyses the data. Data collection and analysis are intertwined in qualitative research; as the researcher is busy collecting data, he or she is also analysing the data. Integration of steps in qualitative data analysis is made by Creswell (1998) and Marshall and Rossman (1999) in De Vos (2005:334). The steps in qualitative data analysis include:

- Planning for recording of data
- Data collection and preliminary analysis
- Managing or organising the data
- Generating categories, themes and patterns
- Coding the data
- Testing the emergent understanding
- Searching for alternative explanation
- Representing, visualising

The researcher followed all these qualitative research steps. Although some were developed, others were carried out before others were mentioned.

3.5.2 Quantitative data analysis

Quantitative data analysis in a professional research can be taken manually or by means of a computer program called SPSS. The researcher utilised frequency distribution tables, graphs and charts to analyse data. The researcher analysed, made inferences and drew conclusions about these relations.

3.6 Ethical consideration

Collecting data from people raises ethical concerns, these include avoiding harm to the respondents by having due regard to the privacy and by respecting them as individuals with rights to give or with-hold information. In order to ensure that the respondents are protected, the researcher kept data collected confidential. The research did not require the respondents to fill-in their personal details such as names, surnames, date of birth or Identity Document numbers when answering the questionnaire.

The researcher also censored the questionnaire to ensure that the language used is appropriate, not offensive to any respondents' cultural, religious or traditional belief systems and is at the level where all respondents were able to comprehend.

3.7 Conclusion

This chapter presented an overview of the research methodology that was employed in the study. In the next chapter, the results of the study are presented and discussed.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

The purpose of this study was to identify and establish the extent to which motivational strategies were being used to retain employees in the Ngaka Modiri Molema District Municipality. Chapter 3 gave a clear exposition of the research methodology used in the study; this chapter presents the findings and analysis of the collected data.

According to Denzin and Lincoln (2001: 393), the analysis and the interpretation of written material offer distinctive challenges which enable the quantitative researcher to collect data which would not have become available otherwise. Denzin et al. (2001) further indicate that to simplify the complexity of data analysis, it is best to break the data down into manageable steps: organising data, summarising data, and interpreting data.



Data analysis for quantitative data was done. First the questionnaire was coded, integrated with the qualitative data and then interpreted. A coding table was used to organise the quantitative data and summarised through a pie chart and graphs to enable the interpretation.

Based on the sample, 180 questionnaires were sent to all the employees of the Ngaka Modiri Molema District Municipality.

Of the 180, 125 questionnaires were returned by all levels of employees in the District; therefore the response rate was 69%.

The chapter aimed to address the following aspects based on the research questions as outlined in chapter 1:

- To what extent are motivational variables being used to influence the retention of employees in the Ngaka Modiri Molema District Municipality.

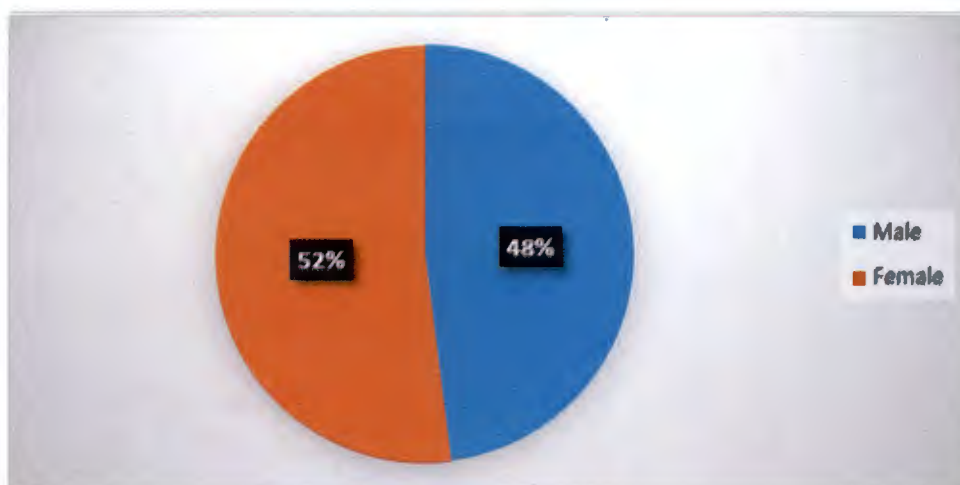
This chapter is therefore divided into two sections. Section one describes the characteristics of the respondents. Section two provides data on uses of motivational variables to influence employee retention in the district municipality.

SECTION ONE: CHARACTERISTICS OF THE RESPONDENTS

4.2 Demographic data

4.2.1 Gender of the respondents

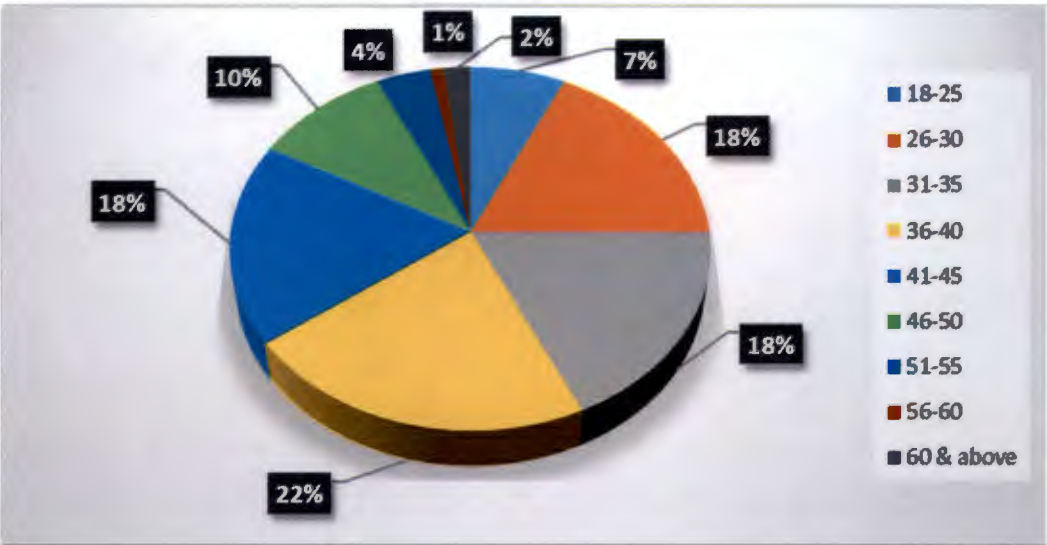
Graph 4.1: Gender of the respondents.



In line with data presented in graph 4.1 above, 52% of the respondents are female and 48% males. The analysis indicates that the district is putting efforts into recruiting and retaining female employees in line with employment equity laws.

4.2.2 Age of the respondents

Graph 4.2: Age of the respondents

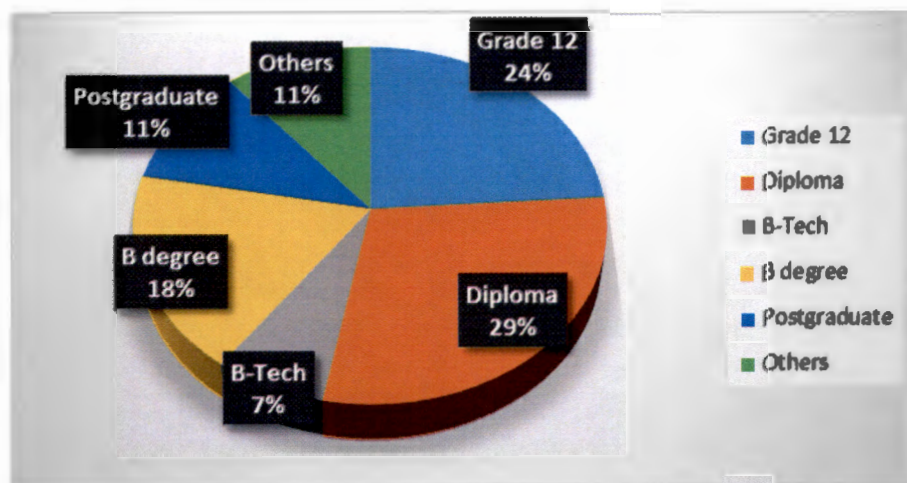


In line with data presented in graph 4.2 above, the majority of the respondents (22%) are between the ages of 36-40, followed by those at 26-30 and 42-45 (18%) respectively.

The analysis paints a worrying factor since the youngest age group (entry in the job market 18-25) registers only 7%, which might mean that little is done to recruit young people into the system. However, once in the system, different variables are used to retain employees in the system.

4.2.3. Highest educational qualification

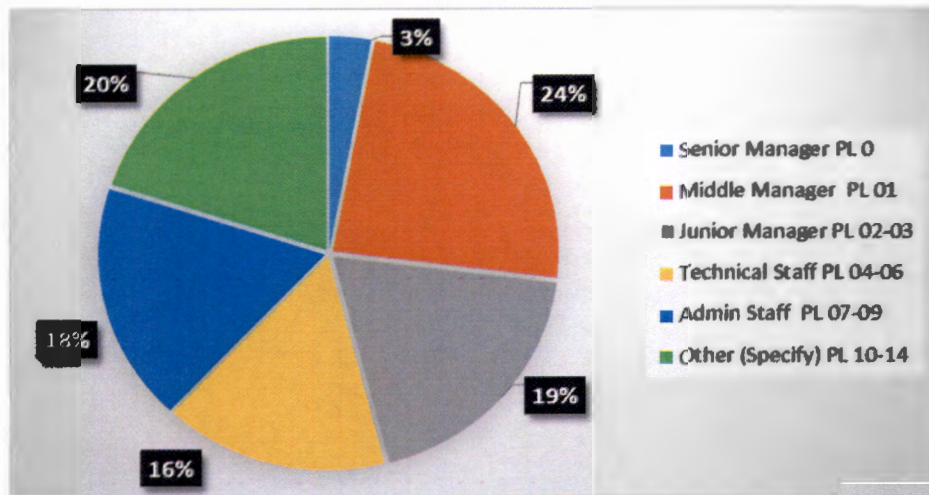
Graph 4.3: Higher education levels of the respondents



In line with data presented in graph 4.3 above, the majority of the respondents (29%) have diplomas followed by 24% of the respondents with grade 12 certificates and 18% with B. degrees. As part of the motivational strategy, the district should make available bursary opportunities and encourage those employees with only grade 12 certificates and diplomas to study further.

4.2.4. Present position in municipality

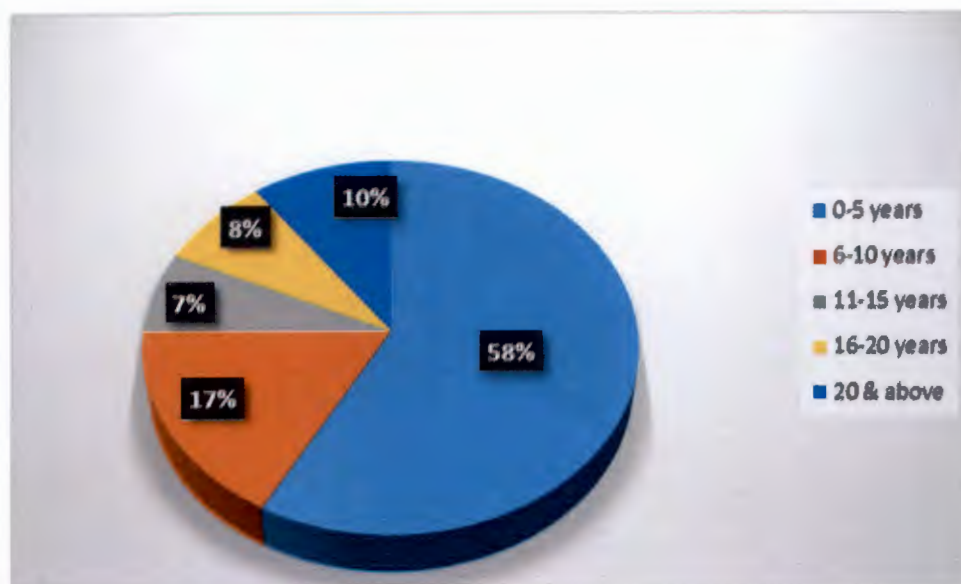
Graph 4.4: Current position level of the respondents



In line with data presented in graph 4.4 above, the majority of the respondents (24%) are in middle management, with 20% being lower level staff and 19% being junior management staff. The analysis indicates that application of different motivational variables is spread evenly across all levels which will ensure retention of employees at all levels.

4.2.5. Years in service

Graph 4.5: Number of years of service of the respondents



In line with data presented in graph 4.5 above, 58% of the respondents have 0-5 years and more in the employ of the district, with 17% having 6-10 years and 10% having 20 years and more.

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The analysis implies that the district needs to implement motivational strategies to ensure retention of employees particularly those who have 0-5 years' service since they are considered to be easy targets in as far as job hopping is concerned, particularly the youth.

SECTION B

4.3 Uses of motivational variables to influence employee retention in the municipality.

4.3.1 Retention strategies

I am encouraged to stay at NMDM because:

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	NMDM has a retention strategy and policy in place	8%	14%	16%	39%	23%
2	NMDM fosters an environment in which diverse individuals can work together effectively	4%	7%	18%	45%	26%
3	Employees are valued as assets by NMDM	3%	9%	15%	47%	26%
4	NMDM assists employees to find an ideal work-life balance	4%	10%	18%	30%	38%

Table 4.1: Implementation of retention strategy and policies

In accordance with data presented in table 4.1 above, the majority of the respondents indicated that they were encouraged to stay in the employ of NMMDM; 42% of the respondents agreed and strongly agreed respectively with the fact that NMMDM implements its rendition and strategy and policies; while 71% indicated that NMMDM fosters an environment in which diverse individuals can work together. Almost three quarters (73%) of the respondents indicated that the district values its employees and 68% of the respondents indicated that NMMDM assists its employees to find an ideal work-life balance. All the factors contribute to effective retention strategies which are implemented by NMMDM.

4.3.2 Training, education and development opportunities

NMDM offers staff the following assistance for career development:

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Financial assistance (e.g. bursaries, study loans etc.)	12%	14%	18%	37%	20%
1 2	Study leave or time off	2%	2%	10%	44%	42%
3	On-the-job training	4%	9%	13%	40%	34%
4	Coaching and mentoring	9%	10%	26%	32%	23%
5	My personal development needs are addressed	10%	10%	23%	37%	20%

Table 4.2: Training, education and development opportunities

In line with data presented in table 4.2, NMMDM uses training and development as a means of motivation of employees. The view is supported by 57% of the respondents who agreed and strongly agreed respectively that the district provides employees with educational financial assistance; 82% of the respondents indicated that the district provides its employees with an opportunity to take study leave or time off while 74% of the respondents indicated that the district also used on-the-job training as a measure of assisting employees with career development.

4.3.3. Compensation and other financial packages

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	Total remuneration is competitive	6%	10%	17%	41%	26%
2	Fringe benefits are good (housing, medical, pension)	5%	6%	12%	42%	35%
3	Service bonus is good	2%	2%	15%	47%	34%
4	Annual increases are good	2%	8%	23%	43%	35%
5	I am satisfied with the level of pay I receive	10%	13%	19%	35%	23%

Table: 4.3 Compensation and other financial packages

In accordance with data presented in table 4.3 above, the majority of the respondents agreed and strongly agreed respectively that compensation and other financial packages act as a means of employee motivation. This was supported by 67% of the employees who indicated that the total remuneration package offered by the district is competitive and 77% of the respondents who indicated that the fringe benefits are good. A high percentage (81%) of the respondents indicated that service bonus is good, with 78% indicating that they are satisfied with the annual increases that they receive.

4.3.4. Performance reward

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Opportunity to earn performance bonus/ commission/overtime	10%	16%	30%	32%	12%
2	Recognition and reward for good performance	10%	18%	26%	34%	16%
3	Promotion based on performance	13%	13%	26%	34%	15%
4	Opportunity to work independently	7%	4%	26%	35%	27%

5	Up-to-date technology to perform my job	8%	12%	19%	42%	17%
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Table 4.4: Performance rewards

In accordance with table 4.4 above, the majority of the respondents agreed and strongly agreed respectively that performance rewards act as a means of employee motivation. Besides the positive outlook of performance reward playing an important role in employee motivation, a great deal still needs to be done to address concerns of all respondents who provided neutral responses to the questionnaire. This was supported by only 44% of the respondents who indicated that they were motivated by the opportunity to earn performance bonuses which kept them focused on improving their performance; 50% of the respondents indicated that the district thus recognises and rewards good performance; 49% of the respondents indicated that promotion is based on performance and 62% of the respondents indicated that they are provided with an opportunity to work independently.

4.3.5. Staff engagement

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	I care about the future of the municipality	0%	1%	2%	38	59%
2	I am proud to work for the municipality	2%	6%	5%	36	45%
3	I feel a sense of personal accomplishment from my job	1%	5%	13%	34	48%
4	I understand how my job contributes to the overall success of the municipality	2%	4%	3%	26%	65%
5	I am willing to put in extra effort beyond what is normally expected	0%	2%	3%	22%	73%

Table 4.5: Staff engagements

In accordance with table 4.5, the majority of the respondents agreed and strongly agreed respectively that staff engagement or involvement contribute to employees' motivation in the workplace. This was supported by 97% of the respondents who indicated that they cared about the future and direction of the municipality because they were engaged or involved, with 82% of the respondents indicating that they enjoyed personal accomplishment in their jobs. A very high percentage (91%) of the respondents indicated that they understood how their jobs contributed to the overall success of the municipality and 95% indicated that they would put in more effort than what was normally expected.

4.3.6. Management style



	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Management communicates a clear vision and mission	5%	4%	14%	44%	33%
2	Management is taking steps to ensure organisational long-term success	3%	6%	19%	39%	33%
3	Management supports new ideas and ways of doing things	6%	4%	26%	33%	32%
4	Management promotes lifelong learning	4%	6%	18%	50%	22%
5	Rewards performance and recognises accomplishments	6%	11%	18%	42%	23%

Table 4.6: Management style

In accordance with table 4.6 above, the majority of the respondents agreed and strongly agreed that management style contributes to employee motivation in a workplace.

This was supported by 77% of the respondents who indicated that management communicates clearly the vision and mission and how it should be achieved; 72% of the respondents indicated that management are taking steps to ensure organisational long-term success, with 65% of the respondents indicating that management support new ideas and innovative ways of doing things to improve service delivery. Almost three quarters (72%) of the respondents indicated that management promotes lifelong learning, while 65% of the respondents indicated that management rewards performance and recognises accomplishments.

4.3.7. Job satisfaction

The following factors contribute to job satisfaction:

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Content of the job	2%	5%	8%	58%	27%
2	Interpersonal relationships	3%	3%	18%	50%	26%
3	Management support	4%	4%	17%	49%	26%
4	Working conditions and office environment	6%	13%	25%	42%	25%

Table 4.7: Job satisfaction

In accordance with data presented in table 4.7 above, the majority of the respondents agreed and strongly agreed that job satisfaction contributes to motivation in the workplace. This was supported by 85% of the respondents who

indicated that the content of the job is a key factor in job satisfaction, with 76% indicating that interpersonal relationships also contribute to job satisfaction.

Three quarters (75%) of the respondents indicated that management support is also a key factor which contributes to job satisfaction, with 67% indicating that working conditions and office environment contribute to job satisfaction.

4.3.8. Career growth and promotion

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Internal candidates are given first opportunities for employment and promotion	1%	3%	7%	42%	47%
2	Mentorship is encouraged for development of employees	5%	8%	20%	33%	34%

Table 4.8: Career growth and promotion

In accordance with table 4.8 above, the majority of the respondents agreed and strongly agreed respectively that career growth and promotion act as a means of motivation in the workplace. This was supported by 89% of the respondents who indicated that internal candidates are given first opportunities for employment and promotion, while 67% indicated that mentorship is encouraged and used as a means of developing employees.

4.3.9. My desire for leaving the municipality would be:

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Desire to be self-employed	6%	14%	22%	30%	29%
2	Frustration in present job	24%	33%	16%	18%	10%

3	An excellent opportunity presented itself	5%	10%	10%	41%	34%
4	Desire to join the private sector	10%	34%	23%	18%	14%
5	Limited career development	14%	32%	23%	22%	9%
6	Insufficient remuneration	19%	27%	24%	18%	11%
7	No positive recognition	14%	38%	18%	16%	14%
8	Lack of staff engagement	18%	36%	15%	19%	11%
9	Ineffective management	20%	31%	18%	14%	18%

Table 4.9: Factors that could contribute to an employee leaving the district

In accordance with table 4.9 above, the majority of the respondents indicated that the following factors could lead them to leave the municipality:

- ✓ Desire to be self-employed which was supported by 59% of the respondents
- ✓ An excellent opportunity presenting itself elsewhere which was supported by 75% of the respondents

The majority of the respondents disagreed and strongly disagreed that the following factors could lead them to leave the municipality:

- ✓ Frustration in a present job which was supported by 57% of the respondents
- ✓ Desire to join the private sector which was supported by 44% of the respondents
- ✓ No positive recognition which was supported by 52% of the respondents
- ✓ Lack of staff engagements which was supported by 54% of the respondents
- ✓ Ineffective management which was supported by 51% of the respondents

CHAPTER 5: DISCUSSION OF MAIN FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Chapter 4 gave a presentation and interpretation of data collected in the form of a questionnaire. Chapter 5 will give a discussion of the main findings, the conclusion of the study and provide recommendations for ensuring that systems are put in place for staff retention through motivation.

5.2 Main findings

The following are the main findings of the study:

That the district encourages staff to remain in its employ through implementation of the following strategies and policies that support staff retention and show value of its employees:

- a. The district uses training and development as a means of staff motivation by giving employees bursaries; educational financial assistance; providing employees with an opportunity for study leave; and implementation of on-the-job training.
- b. Compensation and other financial packages are also used as motivation strategies through which the district ensures that its salaries are competitive

in the market and that the fringe benefits given to employees become attractive.

- c. The district also uses performance rewards as a means of motivation, although some work needs to be done to ensure that those who are not aware of the system or who have concerns with the system are informed.
- d. The district management also ensures that employees are engaged in issues critical to the running and management of the municipality. This contributes to a system in which employees rally behind the strategies and plans (IDP).
- e. The management style also plays a vital role in staff motivation that involves retention. Management communicates clearly the vision and also takes steps to ensure the long-term organisational success by developing clear and realistic strategies and plans for implementation.
- f. Job satisfaction is also central to employee retention, which is highly attributed to factors such as content of the job, sound environment that encourages good working conditions, good interpersonal relations and management support.
- g. Linked to education, training and development, the district also ensures career development and internal of its employees. Priority is given to internal

employees on existing vacant positions. Mentorship is also used to encourage career growth.

- h. The study further revealed that owing to the level of motivation, the district is in a good position to retain the majority of its employees, in that respondents indicated that the reasons that could lead to their leaving the district are the desire to be self-employed and a highly excellent opportunity presenting itself elsewhere. The study further discovered that negative factors such as frustration, lack of or no positive recognition, lack of staff engagements or ineffective management styles were not issues that could lead the employees to leave the employ of the district.

5.3 Discussion of the main findings



The main findings of the study as listed in 5.2 above are discussed in line with the research questions and objectives of the study based on the research objectives and questions in chapter 1, and the literature study. The following are the findings addressed by the research questions and objectives of the study:

5.3.1 Identify and establish the key motivational variables being used by the district municipality in retaining their employees

The study through the literature review has revealed that the following variables are important in ensuring employee retention in an organisation:

- a. Goal setting techniques which are linked to good management style in an organisation. The strategy ensures that goals set are clear, realistic, measurable and attainable within a specific time frame. Through goal setting techniques, employees gain a feeling of pride and satisfaction from the experiences of reaching challenging but fair performance goals. This is asserted by Staw (2001:62) who posits that success in attaining a goal reinforces acceptance of future goals and assists in staff retention.
- b. Training, education and development. The strategy seeks to ensure that organisations invest a great deal to ensure that their employees have the information, skills, and competencies they need to work effectively in a rapidly changing and complex work environment. Wan (2007: 298) therefore suggests that it is important for organisations to invest in their human resource or human capital development, which, in general terms, is the process of helping employees become better at their tasks, their knowledge, their experiences, and adds value to their lives. Through the utilisation of education, training and development, employees are motivated to remain and build a career path in an organisation that offers them such opportunities.

- c. Career growth and promotion were found to be critical since employees consider both as crucial deciding factors in their decision to remain in an organisation or leave. The study further revealed that when employees have the opportunity to be promoted, they tend to build their career life around the organisation because they know that they can achieve their career goals within the organisation and this can inform their decision to remain.
- d. Management style. The study discovered that management style is one of the critical variables for employee retention since it helps to shape an employee's decision to be committed and remain with the organisation even when other job opportunities exist outside the organisation. The study also revealed that the single most important factor that elongates an employee's stay in an organisation is management style which is linked to the quality of the relationship an employee has with his or her immediate manager.
- e. Compensation and other financial packages. The study revealed that in most organisations experiencing turnover, compensation was the most common reason given for leaving, meaning that compensation and other financial packages have a bearing on influencing an employee's decision to remain in an organisation.

f. Job satisfaction.

The study revealed that job satisfaction can be an important indicator of how employees feel about their jobs and a predictor of work behaviours such as absenteeism and turnover. It further shows the extent to which employees like their work and this informs an employee's decision to belong, that is, to join and remain a member of an organisation.

Through data collected, the study revealed the following as being factors contributing to employee retention in the Ngaka Modiri Molema District Municipality:

- a. Education, training and development. The study revealed that in implementing training and development strategies as methods of staff motivation, the following means are used:
- Giving employees bursaries
 - Providing employees with educational financial assistance
 - Providing employees with an opportunity for study leave
 - Implementation of on-the-job training

In line with the findings of the study, training and development opportunity is considered to influence retention among employees in the district. For employees to be effective in the performance of their jobs, they must be constantly trained and developed. Employees perceive investment in their training and development by employers as a strong sign of commitment on the part of management to retain them.

- b. Compensation and other financial packages. The study revealed that in implementing compensation and other financial packages as a retention strategy the following means which are critical are used:
- Ensuring that salaries are competitive in the market
 - The fringe benefits given to employees become attractive.
- c. The district also uses performance rewards as a means of motivation. although Some work needs to be done however to ensure that those who are not aware of the system or who have concerns with the system are enlightened. Recognition and reward for good performance was seen in the present study as having a significant influence in retaining employees. Employees, especially those with esteem and self-actualisation motives want to be appreciated and rewarded, not necessarily with money, but by having their achievements and contribution openly acknowledged. Management should, as part of its organisational culture, institutionalise the practice of appreciating and rewarding individual employees with outstanding performances that are above set standards or when valuable suggestions translate into increased productivity or profitability. A lack of such an organisational culture may inhibit the retention of such high performers.
- d. Promotion and career development. The study revealed that the use of promotion is one of the intrinsic variables that are generally acknowledged as predictors of retention and turnover. It is important that

an organisational structure which promotes upward mobility of high performing employees without inhibiting factors such as seniority should be designed and maintained. Another variable that significantly influences retention is mentoring as part of career development.

- e. The district management also ensures that employees are engaged in issues critical to the running and management of the municipality; this contributes to a system which encourages employees to rally behind the strategies and plans (IDP).
- f. Management style also plays a vital role in staff motivation and thereby retention. Management communicates the vision clearly and also takes steps to ensure the long-term organisational success by developing clear and realistic strategies and plans for implementation.
- g. Job satisfaction – also central to employee retention – is highly attributed to factors such as the content of the job, sound environment that encourages good working conditions, good interpersonal relations and management support.

5.3.2 Determine the extent to which the identified intrinsic and extrinsic motivational variables influence employees' retention and turnover

The study revealed that the intrinsic and extrinsic motivational variables identified by both the literature study and data collected from the respondents positively influence employee retention and increase staff turnover. The identified motivational variables ensure that employees develop a sense of pride, accomplishment and improve their commitment level to the organisation. The identified intrinsic and extrinsic variables further boost and build employee loyalty to the organisation, thus encouraging employees to stay longer.

5.4 Recommendations

In the global market place, organisations worldwide rely on their employees in order to compete favourably and gain competitive advantage. There is a growing need for public sector organisations at all levels within the spheres of government in South Africa to improve service delivery. To be able to do this effectively, managers in public sector organisations must devise practical means for retaining key employees whose expertise is critical to service delivery. One way of achieving this is to motivate these employees through comprehensive and proactive retention programmes. Employers too must design retention strategies to keep their talented employees rather than lose them to competitors in the market. The following recommendations are suggested in view of the findings of the present study:

- ✓ The district municipality should develop a retention policy in order to encourage retention and enhance productivity.
- ✓ Such practices should include the introduction of performance-based promotion systems rather than the present situation in which employees are promoted based on seniority rather than performance.
- ✓ The district should invest heavily in the education, training and development of its employees. Training and development remain the best ways of retaining key employees. Employees' performances are enhanced through training and development and this encourages retention especially in a programmed training system in which the training programme is tailored towards employees' career progression in the organisation.
- ✓ Management in private sector organisations should encourage goal setting techniques and work autonomy in the execution of tasks by employees.
- ✓ The retention strategies should encourage reward and recognition for deserving employees who serve the district municipality with distinction. Such recognition and reward may come in the form of honours conferred on such distinguished employees by the mayor rather than monetary reward.

5.5 Limitations of the study

The study used the Likert Scale questionnaire thus constraining respondents from expressing their own ideas differently from that of the researcher.

The research was limited to the Ngaka Modiri Molema District Municipality and did not cover its local municipalities owing to financial and time constraints. This factor may therefore limit the extent to which the findings of the present study can be generalised and be applied in all local municipalities within the district.

5.6 Suggestions for further studies

Future research can be carried out to determine the effect of demographics on retention and turnover in order to predict the turnover tendencies of various groupings in the public sector.

5.7 Conclusion of the study



The study has shown that some research has been done in the field of motivation and employee retention and some of the key variables pertinent to retaining employees in an organisation have been identified. The study confirmed some of the motivational variables identified by some of the authors in different settings (private and public sector institutions).

The central objective of the study was to investigate the extent to which motivation is being used as a retention strategy in the Ngaka Modiri Molema District Municipality, North West Province. Based on the investigation undertaken, and findings discussed, the study arrived at the following major conclusions:

- The study identified motivational variables that managers could use in order to influence employees' retention.
- The study determined the extent to which selected motivational variables (combination of intrinsic and extrinsic variables) were being applied and were influencing employees' decision to remain at or quit an organisation.
- All employees are motivated to a very large extent by a combination of intrinsic and extrinsic factors, and that variables such as training and development, recognition/reward for good performance, a competitive salary package and job satisfaction are the most important variables that motivate employees.

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APPENDIX "A"

Research Questionnaire

Dear Respondent,

My name is Mokgele Mojaki. I am an MBA student with the Graduate School of Business and Government Leadership of the North West University (Mafikeng Campus). I am presently conducting a research n to the extent to which motivation is being used as a retention strategy in the District Municipality. You are kindly requested to complete the attached questionnaire as honestly as possible.



The information being solicited from you is purely for academic purposes. All information provided by you will be treated confidentially; hence, your personal details are not required. Your honest completion of this questionnaire will assist in generating information that will help Municipality to improve on its retention and turnover management, enhance quality service delivery and improved productivity.

Thanking you for your co-operation.

SECTION A – DEMOGRAPHIC INFORMATION

Please mark (X) as appropriate

1. Gender

Male	Female

2. Age (years)

18-25	
26-30	
31-35	
36-40	
41-45	
46-50	
51-55	
56-60	
60 & above	

3. Highest educational qualification

Grade 12	
Diploma	
B-Tech	
B degree	
Postgraduate	
Others	

4. Present position in municipality

Senior Manager PL 0	
Middle Manager PL 01	
Junior Manager PL 02-03	
Technical Staff PL 04-06	
Admin Staff PL 07-09	
Other (Specify) PL 10-14	
Total	

5. Years in service

0-5 years	
6-10 years	
11-15 years	
16-20 years	
20 & above	

SECTION B

Please evaluate the extent to which the management uses the following motivational variables to influence your retention in the Municipality.

A. Retention Strategies

I am encouraged to stay at NMDM because:

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	NMDM has a retention strategy and policy in place					
2	NMDM fosters an environment where diverse individuals can work together effectively					
3	Employees are valued as assets to NMDM					
4	NMDM assists employees to find an ideal work-life balance					

B. Training, education and development opportunities

NMDM offers staff the following assistance for career development:

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Financial assistance (e.g. bursaries, study loans etc.)					
1 2	Study leave or time off					
3	On the job training					
4	Coaching and Mentoring					
5	My personal development needs are addressed					

C. Compensation and other financial packages

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Total remuneration is competitive					
2	Fringe benefits are good (housing, medical, pension)					
3	Service bonus is good					
4	Annual increases are good					
5	I am satisfied with the level of pay I receive					

D. Performance Reward

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Opportunity to earn performance bonus/ commission/over time					
2	Recognition and reward for good performance					
3	Promotion based on performance					
4	Opportunity to work independently					
5	Up to date technology to perform my job					

E. Staff Engagement

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	I care about the future of the municipality					
2	I am proud to work for the municipality					
3	I feel a sense of personal accomplishment from my job					
4	I understand how my job contributes to the overall success of the municipality					
5	I am willing to put in extra effort beyond what is normally expected					

F. Management Style

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Management communicates a clear vision and mission					
2	Management is taking steps to ensure organizational long-term success					
3	Management supports new ideas and ways of doing things					
4	Management promotes lifelong learning					
5	Rewards performance and recognizes accomplishments					

G. Job Satisfaction

The following factors contribute to job satisfaction:

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Content of the job					
2	Interpersonal relationship					
3	Management support					
4	Working conditions and office environment					

H. Career growth and promotion

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Internal candidates are given first opportunities for employment and promotion					
2	Mentorship is encouraged for development of employees					

I. My desire for leaving the municipality would be:

	Item	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
1	Desire to be self employed					
2	Frustration in present job					
3	An excellent opportunity presented itself					
4	Desire to join the Private Sector					
5	Limited Career Development					
6	Insufficient Remuneration					
7	No positive recognition					
8	Lack of staff engagement					
9	Ineffective Management					

APPENDIX "B"

PERMISSION TO CONDUCT RESEARCH

**TO : ACTING EXECUTIVE MAYOR
CLLR MARIA MONNANA**

FROM : MR MOKGELE MOJAKI

DATE : 25 JUNE 2013

SUBJECT : REQUEST FOR PERMISSION TO CONDUCT A RESEARCH PROJECT

PURPOSE

The purpose of this submission is to seek approval from the Acting Executive Mayor to conduct a research project in Ngaka Modiri Molema DM for my studies.

MOTIVATION

**NWU
LIBRARY**

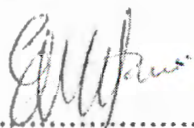
I am a registered student with the University of North West Mafikeng campus for the academic year 2013. I am pursuing a Masters Degree in Business Administration (MBA). The course is offered in two academic years. In order for me to complete my studies the requirement is that I have to complete a dissertation/Research project within a period of registration, which is two years, however the research proposal must be submitted by the 30th of July 2013.

In conducting the research, all the students are required to identify a topic (problems statement) in or outside their organization, research it, and present the recommendations to management for implementation thereafter. My area of interest is to conduct a research and is assessment of staff compliance to the information security policy in NMMDM.

The information utilised in the study will be kept with strict confidentiality and on completion of the research a copy of the report will be provided to the Municipality to evaluate the merit of the recommendations of the research and for implementations if deemed necessary by the Acting Executive Mayor.

Regards,

~~APPROVED / NOT APPROVED~~


.....

M E MOJAKI


.....

**CLLR M MONNANA
ACTING EXECUTIVE MAYOR**

APPENDIX "C"

EDITOR'S DECLARATION

Lyn Voigt: B. Mus. (Eng Hons) [Wits] H. Dip. Ed. [JCE]

P.O. Box 383

Tel/Fax: (011) 478 0634

35 El Prado

Edge Terrace

68

Randpark Ridge

EDITOR'S DECLARATION

Lyn Voigt, confirm that I edited the dissertation: AN INVESTIGATION INTO THE
EXTENT TO WHICH MOTIVATION IS BEING USED AS A RETENTION STRATEGY

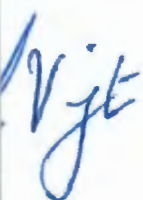
IN

NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY

by

MOKGELE ERNEST MOJAKI

(16340620)



Voigt